**Factors of Production and Economic Systems**

**Part I:** Factors of Production

An economy is the way goods and services are produced and consumed. The **factors of production** are resources that are the building blocks of the economy; they are what people use to produce goods and services. The factors of production are:

* **land/natural resources**—naturally occurring goods such as soil and minerals.
* **labor**—human effort used in production
* **capital**—goods which are used in the production of other goods, such as machinery, tools and buildings.
* **entrepreneurship**—one who organizes, manages, and takes on the risks of a business or enterprise.

**Part II:** Really?

Directions: As you read, look for things that surprise you. When you find something, ask yourself this question:

1. Why did this surprise me?

|  |  |
| --- | --- |
| **Something I Found Interesting or Surprising** | **Why Does This Surprise Me?** |
|  |  |
|  |  |
|  |  |
|  |  |

Discussion Starters to use in your conversation:

* I was shocked about…
* I was surprised when…
* I could not believe…

**Part 3: Coding the Text**

**Directions:** Use your coded text and make a list of the positive and negative aspects you found.

|  |  |  |
| --- | --- | --- |
| **Economic System** | **Positives (+)** | **Negatives (-)** |
| **Traditional Economy** |  |  |
| **Command Economy** |  |  |
| **Market** **Economy** |  |  |

Discussion Starters to use in your conversation:

* Based on what I have learned, I think…

**Part VI:** ACES Individual Thinking Sheet

Group Thesis Statement:

Individual Evidence:

Group Evidence:

Individual Explanation of Reasoning:

Group Explanation of Reasoning:

Summary Sentence: As a result…

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