**Economic Resources**

Where do goods and services originate?

**Economic resources**, also known as **factors of production**, are the means through which goods and services are made available to consumers.

Most products require a combination of

* + **natural resources** – materials that come from the earth, water and air.
		- Examples – soil, iron, ore, gold, oil, trees, wildlife, agricultural goods, fish and oxygen
	+ **human resources** – (labour) people who work to create goods and services
	+ **capital resources** - a resource such as equipment, building or money that is used to produce goods and services

Businesses are **interdependent,** which means they rely on the goods and services from a variety of businesses to satisfy consumer needs and wants.

Example: Supermarket relies on food from farms (natural), equipment from food-processing facilities (capital) and drivers who transport the food to the store (human).

**Economic systems** are a way of dealing with the selection, production, distribution, and consumption of goods and services. Government and business work together to foster activity and growth in the marketplace.

Economic systems have to answer three key questions:

* 1. What goods and services should be produced within the system?
	2. For whom should these goods and services be produced?
	3. How should these goods and services be produced?
* Designed to allow countries and businesses to make the most of the resources they have
* And to develop new resources that will allow them to expand economically