



CHAPTER LEARNING OBJECTIVES

- 1. STUDENTS WILL BE ABLE TO DEFINE ECONOMICS**
- 2. STUDENTS WILL BE ABLE TO DISTINGUISH BETWEEN CONSUMER NEEDS AND WANTS FROM AN ECONOMIC PERSPECTIVE**
- 3. STUDENTS WILL BE ABLE TO DEFINE AND DISTINGUISH BETWEEN GOODS AND SERVICES**
- 4. STUDENTS WILL BE ABLE TO DISTINGUISH BETWEEN THE CHANNELS BY WHICH ECONOMIC NEEDS ARE FULLFILLED**
- 5. STUDENTS WILL BE ABLE TO DEFINE AND DISTINGUISH BETWEEN SCARCITY AND SHORTAGE FROM AN ECONOMIC PERSPECTIVE**
- 6. STUDENTS WILL BE ABLE TO IDENTIFY AND EXPLAIN THE FACTORS OF PRODUCTION**
- 7. STUDENTS WILL BE ABLE TO DEFINE AND DISTINGUSH BETWEEN THE TYPES OF CAPITAL**
- 8. STUDENTS WILL BE ABLE TO EXPLAIN THE BENEFITS OF PHYSICAL CAPITAL**
- 9. STUDENTS WILL BE ABLE TO DEFINE AND EXPLAIN THE BENEFITS OF THE RULE OF 70**
- 10. STUDENTS WILL BE ABLE TO DEFINE WEALTH**
- 11. STUDENTS WILL BE ABLE TO EXPLAIN THE DIFFERENCE BETWEEN MICRO AND MACRO ECONOMICS**

WHAT IS A “ SCIENCE ” ? THERE ARE TWO ASPECTS TO THE DEFINITION :

- 1.**
- 2.**



WHAT TYPES OF SCIENCES ARE THERE ? GENERALLY THERE ARE 3 CATEGORIES :

1.

2.

3.

WHAT IS A “ PHYSICAL SCIENCE ” ?

WHAT IS A “ NATURAL SCIENCE ” ?

WHAT IS A “ SOCIAL SCIENCE ” ?



HOW DO THE SCIENCES WORK ?

THE KEY IS UNDERSTANDING THE “ SCIENTIFIC APPROACH ” -

CHARACTERISTICS OF THE PHYSICAL AND NATURAL SCIENCES :

1.

2.



CHARACTERISTICS OF THE SOCIAL SCIENCES :

1.

2.



WHAT IS “ ECONOMICS ” ?



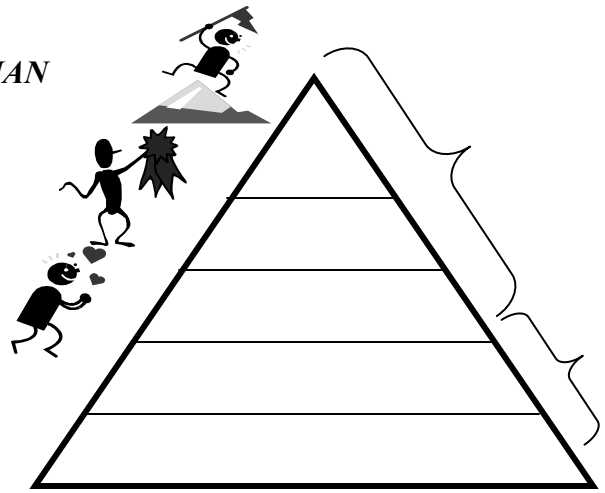
WHAT MOTIVATES HUMAN BEHAVIOR ?



THE FIRST THING THAT MOTIVATES HUMAN BEHAVIOR :

“INNATE NEEDS” :

- 1.
- 2.



THE SECOND THING THAT MOTIVATES HUMAN BEHAVIOR :

“MASLOW’S HIERARCHY OF NEEDS”

“ACQUIRED NEEDS” :

- 1.
- 2.
- 3.

BUT WHAT DRIVES OUR DESIRES TO SATISFY OUR ACQUIRED NEEDS ?



AYN RAND

WHEN FLAWS DRIVE THE PURSUIT OF OUR ACQUIRED NEEDS :

- 1.
- 2.
- 3.

WHEN STRENGTH DRIVES THE PURSUIT OF OUR ACQUIRED NEEDS :

- 1.
- 2.
- 3.

THE 2 TOOLS USED BY BOTH THE STRONG AND THE FLAWED IN THE PURSUIT OF THEIR ACQUIRED NEEDS :

- 1.
- 2.

SO, WHAT DO THE IDEAS OF MASLOW AND RAND HAVE TO DO WITH ECONOMICS ?

WHAT ARE THE 3 REASONS YOU NEED TO UNDERSTAND DECISION MAKING ?

- 1.
- 2.
- 3.



WHAT ARE “NEEDS” ?

ALSO WHAT ARE THE THREE MOST FUNDAMENTAL NEEDS ?

- 1.
- 2.
- 3.

BUT WHAT TYPE OF ADDITIONAL TRUE NEEDS ARE REQUIRED IN A MODERN SOCIETY ?



WHAT DOES “RATIONAL” MEAN ?

WHAT ARE “WANTS” ? WHAT ARE SOME EXAMPLES ?



THE “RULE OF 70” > THE MAGIC OF COMPOUNDING > HOW TO BECOME A MILLIONAIRE :



ECONOMICALLY SPEAKING, WHAT ARE NEEDS AND WANTS ?

“GOODS” -

“SERVICES” -



WHAT ARE THE 3 WAYS PEOPLE GO ABOUT FULFILLING THEIR NEEDS AND WANTS ?

- 1.
- 2.
- 3.



IT IS HARD TO MAKE DECISIONS REGARDING WHAT TO CHOOSE - EVEN FOR THE NEEDS :

1. CAN WE HAVE EVERYTHING WE NEED AND WANT ?
2. BECAUSE ALL RESOURCES ARE “ SCARCE ” -



WHAT IS A “ SHORTAGE ” ?



WHAT ARE EXAMPLES THAT ILLUSTRATE THE CONCEPTS OF SCARCITY AND SHORTAGE ?

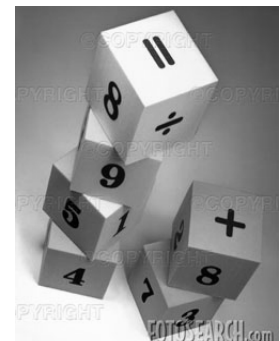
SCARCITY & SHORTAGE -



SHORTAGE -

THE 3 BUILDING BLOCKS OF GOODS AND SERVICES ARE CALLED THE “ FACTORS OF PRODUCTION ” > THEY ARE :

- 1.
- 2.
- 3.



WHAT ARE THE 2 TYPES OF “ CAPITAL ” AND WHAT ARE EXAMPLES OF EACH ?

- 1.



2.

WHAT ARE THE 3 BENEFITS OF PHYSICAL CAPITAL ?

1.

2.

3.

WHAT IS "WEALTH" ?

HOW DO YOU CREATE MORE WEALTH ?

HOW DO WE GO ABOUT STUDYING ECONOMICS ?

1. "MICROECONOMICS" - THE STUDY OF :

1.

2.

3.

2. "MACROECONOMICS" - THE STUDY OF :

1.

2.

3.

