

Did we actually define Economics last class?

The study of deploying limited resources to fulfill unlimited wants and needs.



Today's learning objective:

By the end of class, I will be able to draw a production possibilities frontier, identify the economic factors of production, and relate scarcity and opportunity cost.

Today's language objective:

*I will use the following terms when explaining my personal examples to a peer.

Scarcity

Production possibilities frontier

- Factors of production

Scarcity

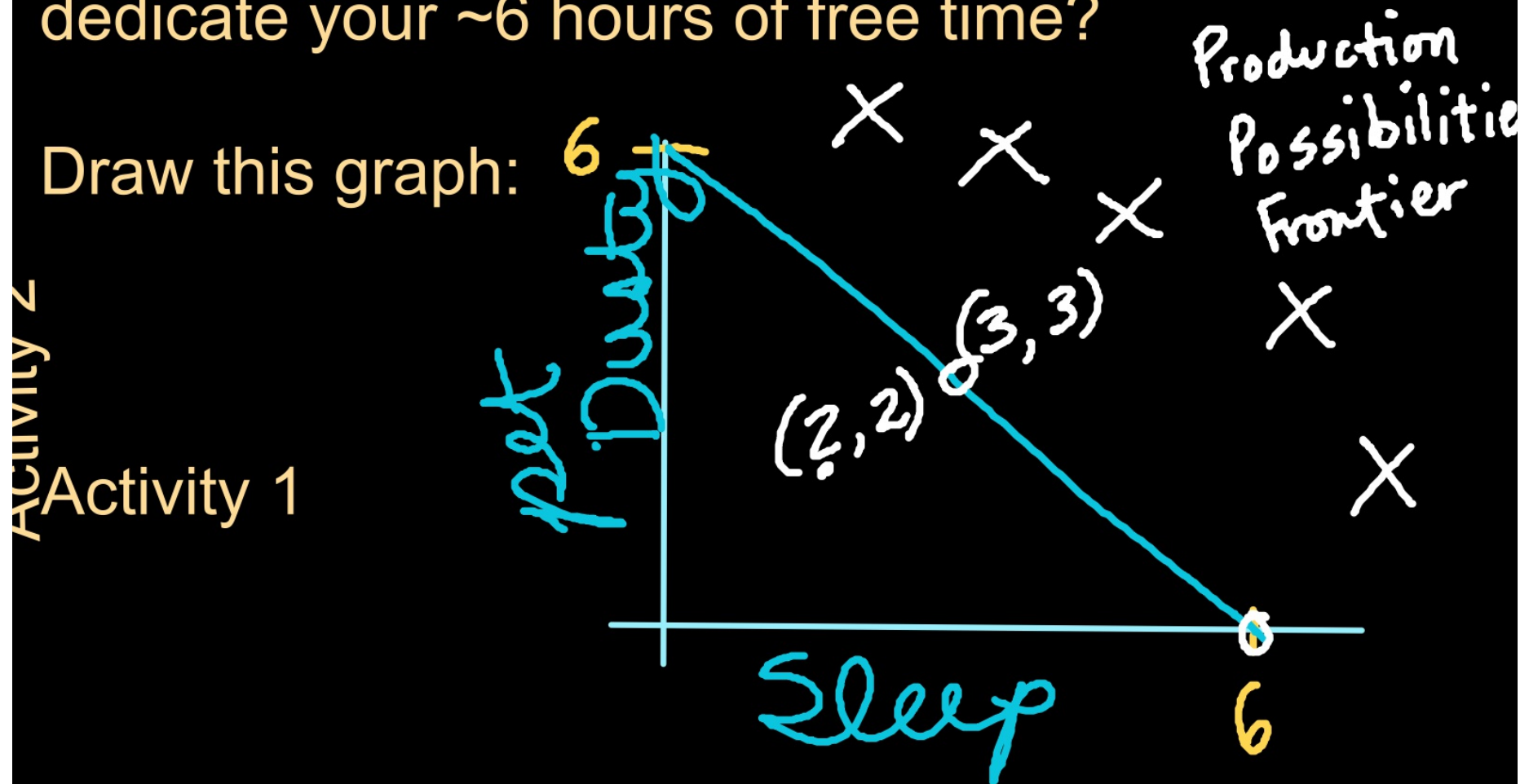
- Opportunity cost

Economics

- Core Competency

Imagine that upon dismissal from school today you have no homework or after school obligations. What are the top two things you would prefer to dedicate your ~6 hours of free time?

Draw this graph:



What resources were required to participate in the two activities on your Production Possibilities Frontier?

How do you balance the 2 choices?

How would you divide the time between the 2 activities?

If you choose to participate in 1 activity, does it impact the amount of time you can spend doing the other activity?

Opportunity cost

If there were no Oikos Nomos, how would we think about deploying resources?

Because of Economics, we must consciously be aware of our choices and resource allocation.

4 Factors of Production (resources):

Land: real estate & what exists on it

Labor: human workforce

Capital: money & machinery

Entrepreneurship: human ingenuity & creativity

The scarcity inherent of factors of production forces us to choose...

...and every choice has an opportunity cost.

Production Possibilities Frontier Example 1: Amazon

Amazon (2014)

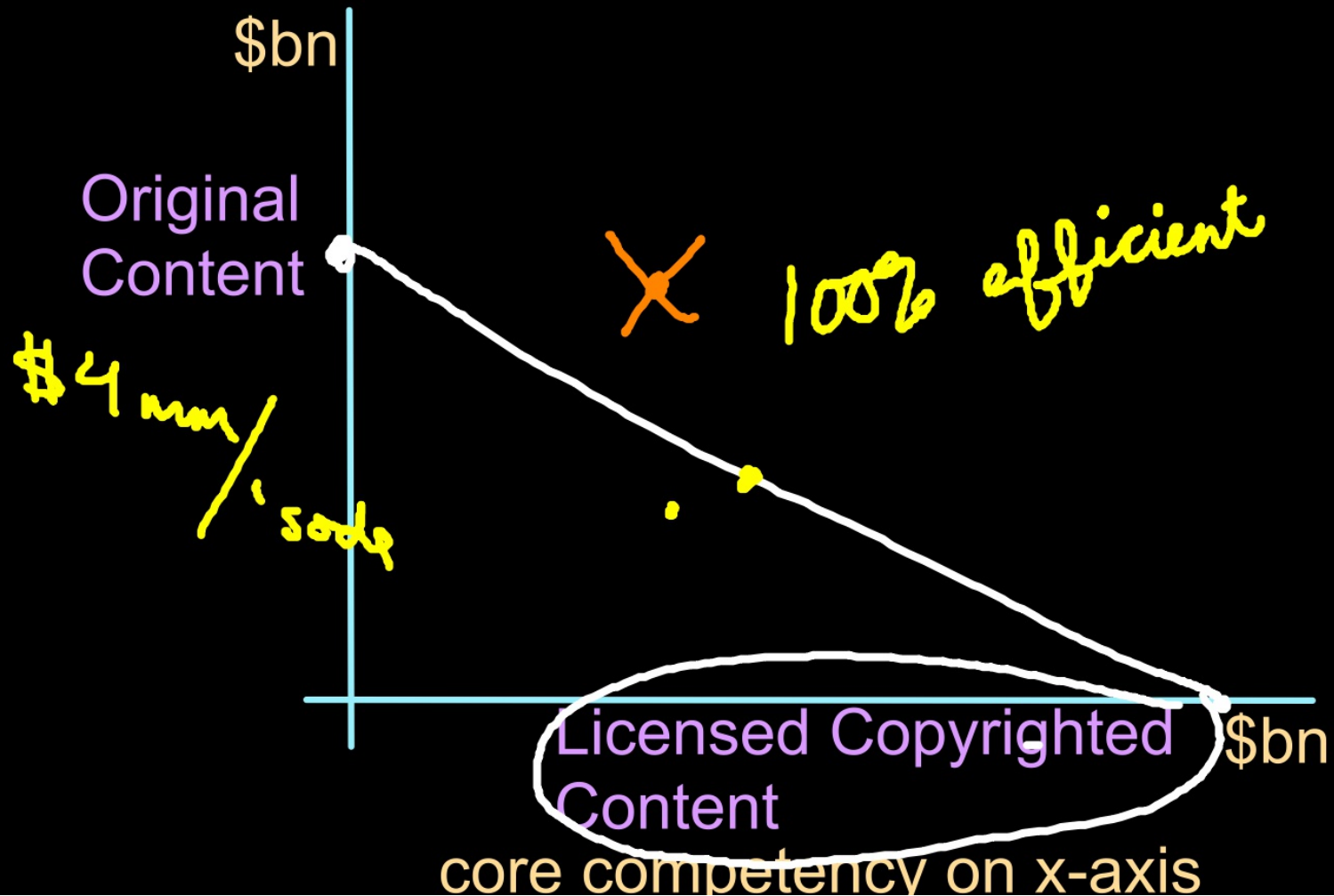
Core competency
Strength



core competency on x-axis

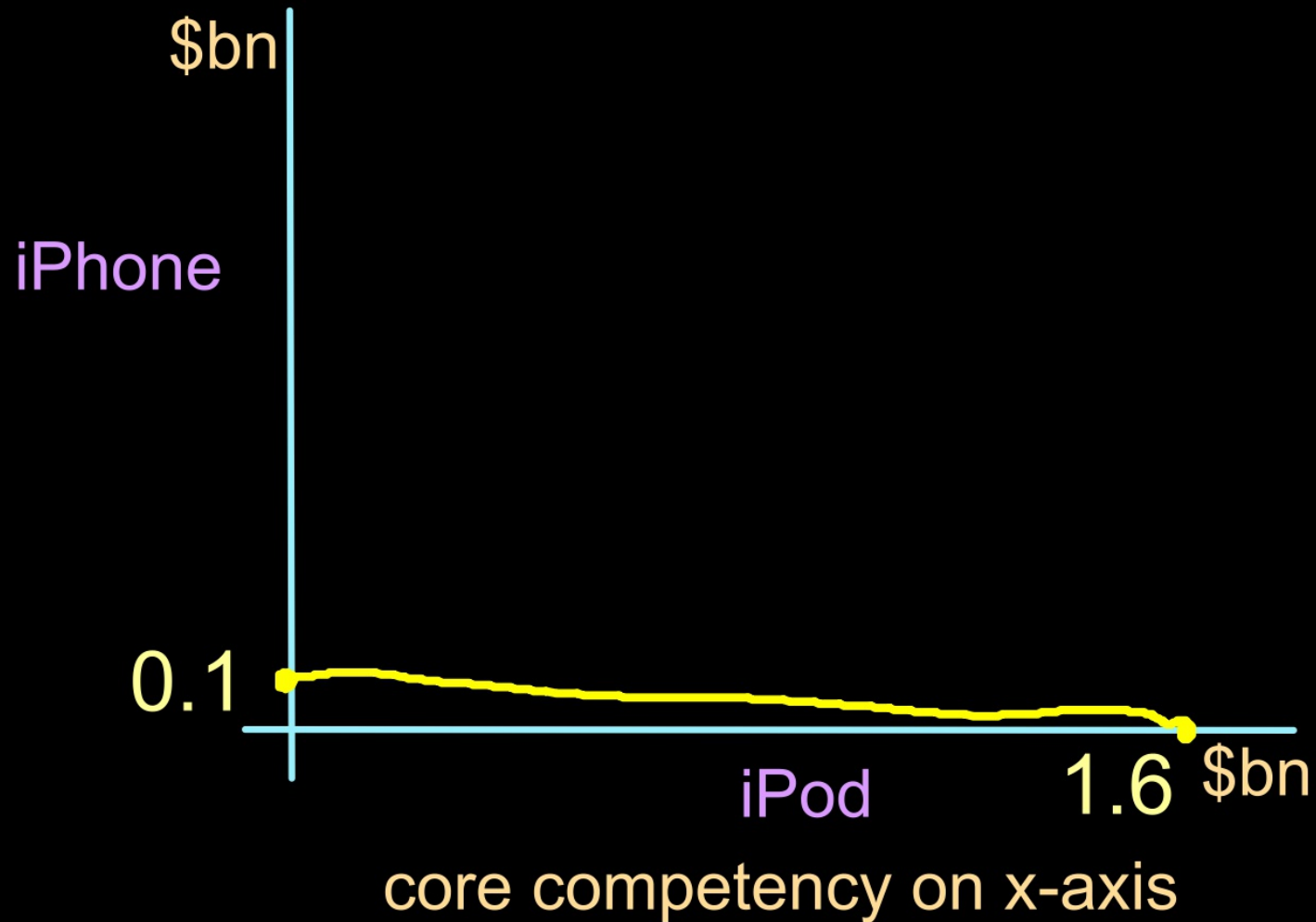
Production Possibilities Frontier Example 2: Netflix

Netflix (2013)



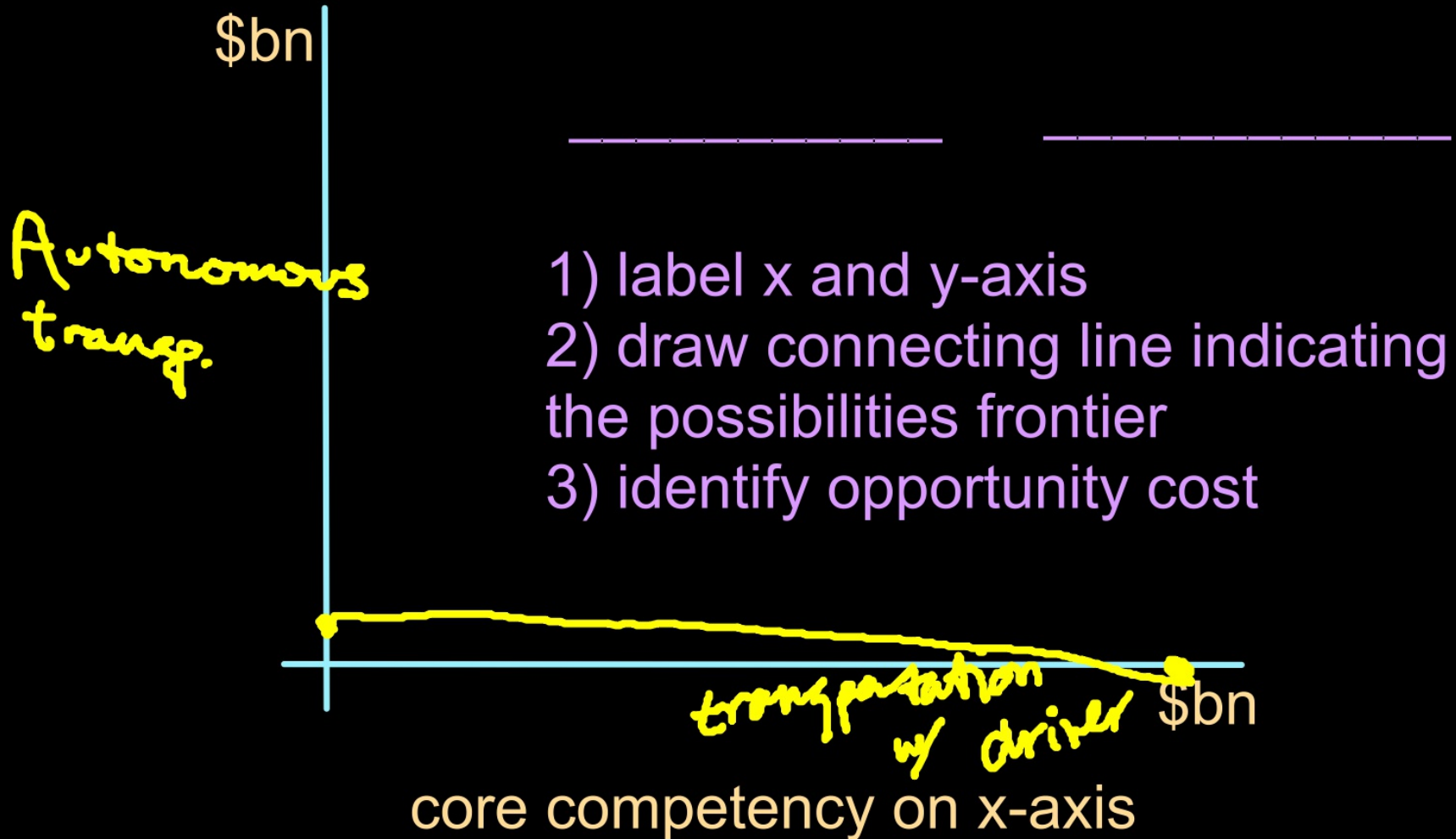
Production Possibilities Frontier Example 3: Apple

Apple (2007)

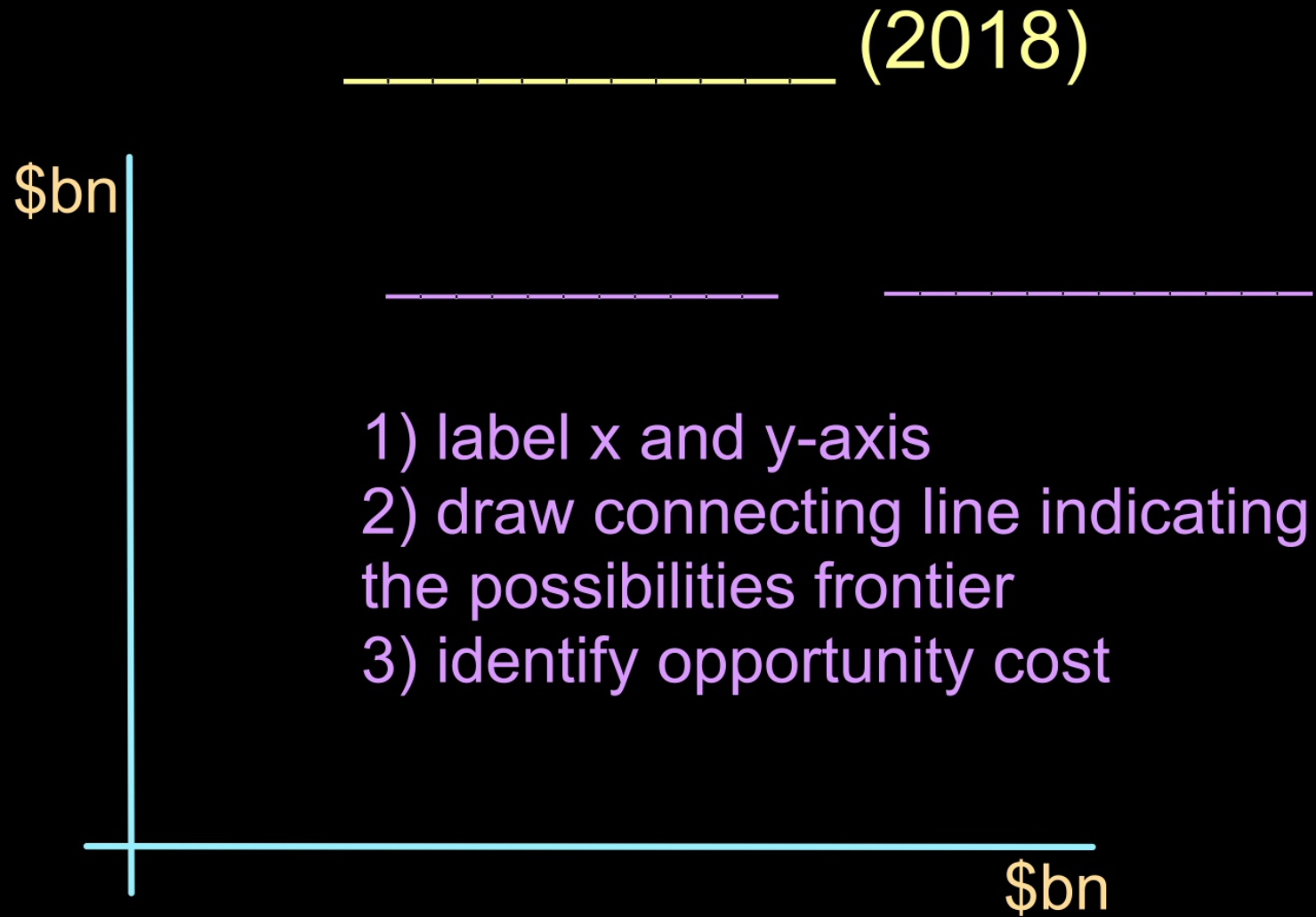


PPF Example 4: create a current one!

Uber



PPF Example 4: create a current one!



core competency on x-axis