

# Chapter 2 Economic Resources and Systems

## Section 2.1 Economic Resources

### Section Summary with Key Terms and Academic Vocabulary

**A Look at Wants and Needs** Everyone has wants and needs. Wants are things that you do not have to have to survive, but would like to have. Needs are things that you must have in order to survive. People use resources to make or obtain what they need or want. Resources limit the number of needs and wants people can satisfy. The decision-making process can help you make good choices and make the most of your resources by considering alternatives and their consequences. The longer a decision will affect your life, the more you need to consider all of the possible consequences.

#### Key Terms \_\_\_\_\_

**scarcity** A shortage of resources

**factors of production** All the economic resources necessary to produce a society's goods and services

**natural resources** Raw materials from nature used to produce goods

**labor resources** Individuals who make the goods and services for which they are paid

**capital resources** The things used to produce goods and services

**entrepreneurial resources** The people who recognize opportunities and start businesses

**entrepreneurship** The process of recognizing a business opportunity, testing it in the market, and gathering the resources necessary to start and run a business

**entrepreneur** A person who recognizes a business opportunity and organizes, manages, and assumes the risks of starting and operating a business

#### Academic Vocabulary \_\_\_\_\_

**factor** One that actively contributes to the production of a result

**process** A series of actions or operations leading to an end

**labor** Human activity that provides goods or services in an economy

**individual** A single human being