

Gwinnett School of Math, Science, and Technology

Macroeconomics Yearlong Notes

Anish Goyal
1st Period

Donny Thurston
Educator

2023-2024



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1 Types of Goods (01/08)

1.1 The Four Types of Goods

	Non-rivalrous	Rivalrous
Non-excludable	<i>Public Goods</i> (e.g. Sunset, Common Knowledge)	<i>Common-Pool/Common Resources</i> (e.g. Irrigation Systems, Libraries)
Excludable	<i>(Toll/Club/Artificially Scarce) Goods/Natural monopolies</i> (e.g. Day-Care Centers, Country Clubs)	<i>Private Goods</i> (e.g. Donuts, Personal Computers)

1.2 Characteristics of the Four Types of Goods

- **Rivalrous** goods are those that can only be consumed by one person at a time.
- **Non-rivalrous** goods are those that can be consumed by multiple people at the same time.
- **Excludable** goods are those that can be restricted to certain people.
- **Non-excludable** goods are those that cannot be restricted to certain people.
- If a public good is overcrowded enough, it can become a common resource

1.3 Examples

Case Scenario	Type of Good/Service
A college education	Artificially scarce
A manicure or pedicure	Private good
Stone Mountain park	Artificially scarce
State park campgrounds	Artificially scarce
National defense	Public good
Peach Pass lane on I-85	Artificially scarce
Fish in the ocean	Common resource
Street lights	Public good
Netflix/Hulu	Artificially scarce
Flu shot	Private good
Tornado safety shelter	Public good

Case Scenario	Type of Good/Service
Bottled water in a tornado safety shelter	Common resource
Hearing a tornado siren	Public good
Going to an almost empty public beach	Public good
Going to an overcrowded public beach	Common resource
St. Lawrence SeaWay	Natural monopoly
Flying on a commercial airplane	Natural monopoly
Flying a single seat private airplane	Private good
Wedding guests eating a slice of the wedding-cake	Common resource
Cake sold at a bakery	Private good