Student response

(a) Complete the following table by filling in the missing spaces.

Definition	Factor of production	Factor reward
Risk taking/decision making	(i)	(ii)
(iii)	Capital	(iv)
(v)	(vi)	(vii)
The effort and skill of individuals who form part of the labour force.	(viii)	wages

(b) The local bar uses many resources while providing a service for the community. Identify one example of each of the following types of resources used by the local bar.

    (i)   Capital resource _____

    (ii)   Human resource _____

    (iii)   Entrepreneur _____

(c) Some individuals would argue that cows are a natural resource while others would argue that with modern farming methods, cows should be classified as a capital resource. Explain both positions.

Cows as a natural resource: _____

_____

_____

Cows as a capital resource: _____

_____

_____

eLearneconomics: Core – Resources (1a)

Solutions

(a) Complete the following table by filling in the missing spaces.

Definition	Factor of production	Factor reward
Risk taking/decision making	(i) Entrepreneur	(ii) profit
(iii) Man-made goods used to produce other goods and services	Capital	(iv) interest
(v) The gifts of nature from land, sea and air, along with whatever they could contain and/or sustain	(vi) Natural resource	(vii) rent
The effort and skill of individuals who form part of the labour force.	(viii) Human resource	wages

(b) The local bar uses many resources while providing a service for the community. Identify one example of each of the following types of resources used by the local bar.

(i) Capital resource <u>cooking equipment, counter, till, EFTPOS machine, freezer, oven, tables, chairs</u>

(ii) Human resource <u>workers, servers, bar person, waiters, chef, cooks</u>

(iii) Entrepreneur <u>owner(s) of the bar</u>

(c) Some individuals would argue that cows are a natural resource while others would argue that with modern farming methods, cows should be classified as a capital resource. Explain both positions.

Cows as a natural resource: <u>Idea that they occur in nature / not man-made</u>.

Cows as a capital resource: <u>Idea of selective breeding / GE / GM / cloning</u>.

Student response _____

(a) Define the following terms:

(i)   Natural resource _____

_____

_____

(ii)   Capital resource _____

_____

_____

_____

(iii) Entrepreneur_____

_____

_____

(b) For each factor reward listed below, identify which factor it is paid for.

(i)   Rent _____   (ii) Profit _____

(iii) Wages _____   (iv) Interest _____

(c) (i) From the following terms, identify the resources used by the forestry industry. Classify these resources into the categories in the table below.

Chainsaw	Land	Lumberjacks
Seedlings	Managers	Timber mill
Millworker	Trees	Forestry road
Water	Sunshine	Bulldozer

Human	Capital	Natural

(ii) Explain why native timber might be considered as a non-renewable resource.

_____

_____

_____

_____

_____

Solutions

(a) Define the following terms:

(i) Natural resource Gifts of nature, of land and sea, occur in nature.

(ii) Capital resource Man-made goods used to make other goods and services (man-made is vital to a definition of capital).

(iii) Entrepreneur Take risks and organise resources.

(b) For each factor reward listed below, identify which factor it is paid for.

(i) Rent natural resources

(ii) Profit entrepreneur

(iii) Wages human resources

(iv) Interest capital resources

(c) (i) From the following terms, identify the resources used by the forestry industry. Classify these resources into the categories in the table below.

Chainsaw	Land	Lumberjacks
Seedlings	Managers	Timber mill
Mill worker	Trees	Forestry road
Water	Sunshine	Bulldozer

Human	Capital	Natural
managers	chainsaw	land
lumberjacks	timber mill	seedlings
mill worker	forestry road	water
	bulldozer	trees
		sunshine

(ii) Explain why native timber might be considered as a non-renewable resource.

Takes a very long time to grow/cultural significance (not extinct clause).

(a) Classify the following resources as either capital, natural, human or entrepreneur:

(i) Water _____

(ii) Sheep _____

(iii) Grass _____

(iv) Shed_____

(v) Tractor driver _____

(vi) Machinist _____

(vii) A computer used by an accounting firm

_____

(viii) Bill's effort at work _____

(ix) Hammer _____

(x) Mary who runs and owns a nanny agency

_____

(xi) Dog _____

(xii) Sign _____

(xiii) Inventor _____

(xiv) Combine harvester _____

(b) Explain the difference between renewable and non-renewable resources. Give an example of each.

_____

_____

_____

(c) What is the factor reward for each of the following?

(i) A factory _____

(ii) The factory workers _____

(iii) The owner of the factory _____

(iv) The oranges used to make juice _____

(d) Classify the resources that must be used directly in the ice-cream manufacturing industry in the table below.

factory site (land)	factory	milk	workers
cardboard packaging	ice-cream sticks	machines	manager

Capital	Natural	Human

Solutions

(a) Classify the following resources as either capital, natural, human or entrepreneur:

(i)	Water natural	(viii)	Bill's effort at work human	
(ii)	Sheep natural	(ix)	Hammer capital	
(iii)	Grass natural	(x)	Mary who runs and owns a nanny agency human/entrepreneur	
(iv)	Shed capital			
(v)	Tractor driver human	(xi)	Dog natural	
(vi)	Machinist human	(xii)	Sign capital	
(vii)	A computer used by an accounting firm capital	(xiii)	Inventor entrepreneur	
		(xiv)	Combine harvester capital	

(b) Explain the difference between renewable and non-renewable resources. Give an example of each.

Idea of: renewable resource sustainable/regenerate/not being used up in production, e.g., trees, fish, solar energy, hydro energy.

Non-renewable used up in production, does not regenerate, e.g., coal, natural gas and oil.

(c) What is the factor reward for each of the following?

(i)   A factory interest

(ii)   The factory workers wages

(iii)   The owner of the factory profit

(iv)   The oranges used to make juice rent

(d) Classify the resources that must be used directly in the ice-cream manufacturing industry in the table below.

factory site (land)	factory	milk	workers
cardboard packaging	ice-cream sticks	machines	manager

Capital	Natural	Human
factory	factory site (land)	manager
machines	milk	workers
ice-cream sticks		
cardboard packaging		