1. Recap
   1. Economics
      1. Strive to be efficient with scarce resources
      2. Government protects consumers from monopoloties and quality of regulates
   2. Goals of economic systems
      1. Avoid drastic fluctuations
         1. Stable economy
      2. Efficiency with scarce resources
      3. Growth over time
      4. Equity, fairness to all
   3. Economics
      1. The study of how individuals and/or socities chose among scarce resources for the purpose of/to produce goods and service to satisfy unlimited human wants
   4. Positive Statements = law = facts
   5. Normative Statements = opinions = theories
      1. More normatative statements in macro than micro
   6. Economic Resources
      1. Factors of production
         1. Land
            1. Natural resources frmot he land
         2. Labor
            1. Humans, physical labor
         3. Capital
            1. Intangible capital, talent, education
         4. Entrepreneurship
            1. Risk takers
   7. Physical capital
      1. An object used for the production of something else
         1. Examples
            1. Chalk, hammer, machine, etc
   8. Money is not economic capital, it is financial capital -> not an economic resource
   9. Investment
      1. Want capital stock to grow and expand
      2. Addition to capital stock
      3. New profits depend on status of old trucks for example
         1. Examples
            1. UPS adds 100 trucks
            2. Gross investment = 100
            3. Depreciation = 80
            4. Net Investment = 20
      4. Investing doesn’t always produce growth
   10. Connection b/w investment and deprecation
       1. Must invest more on the gross so net turns out positive
   11. Depreciation
       1. Loss of capital (value)
   12. Compensation for factors of production
       1. For labor
          1. Wage per hour
          2. Salary per year
          3. Commission ( based on sales )
          4. Tips
          5. Sole Propriotor income
       2. Wages are viewed as a company expense
          1. Supply category
       3. For land
          1. Rent
       4. For capital
          1. Interest rate
       5. For entrepreneurial talent
          1. Profit
       6. Wages, rent, interest, profit = compensation