

# GUIDED READING Activity 1-2

For use with textbook pages 12-17

## **B**ASIC ECONOMIC CONCEPTS

### **OUTLINING**

**Directions:** Locate the following headings in your textbook. Then use the information under the headings to help you write each answer. Use another sheet of paper if necessary.

- I. Goods, Services, and Consumers
  - A. Introduction—What is scarcity in an economic sense? \_\_\_\_\_
  - B. Goods—What is the difference between a consumer good and a capital good?  
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  - C. Services—What kind of economic product is a service?  
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  - D. Consumers—What is a consumer? \_\_\_\_\_
- II. Value, Utility, and Wealth
  - A. Introduction—To what does value refer? \_\_\_\_\_
  - B. Paradox of Value—What is the paradox of value?  
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  - C. Utility—What is required for something to have value?  
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  - D. Wealth—What is wealth? \_\_\_\_\_
- III. The Circular Flow of Economic Activity
  - A. Introduction—What is a key feature of circular flow? \_\_\_\_\_
  - B. Factor Markets—What is a factor market? \_\_\_\_\_
  - C. Product Markets—Where do individuals spend their income from the resources they sell?  
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- IV. Productivity and Economic Growth
  - A. Productivity—What is productivity? \_\_\_\_\_
  - B. Division of Labor and Specialization—How do division of labor and specialization affect productivity?  
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  - C. Investing in Human Capital—In what ways can government, businesses, and individuals invest in human capital?  
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