

# Economics



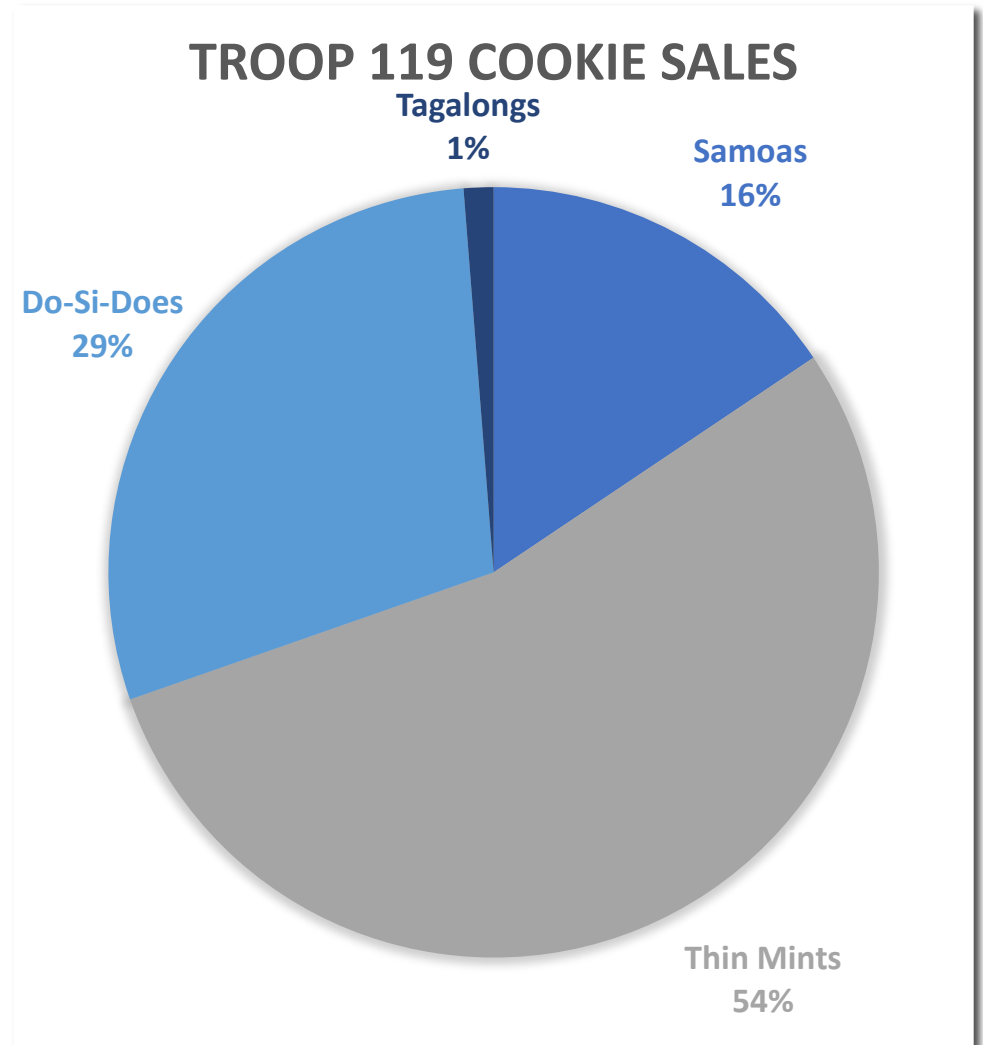
# What is economics???



- **Economics** is how people produce (make) and consume (use or buy) goods and services

# How do we study economics?

- We use **economic data** (which is information based on economics) to analyze how people are producing and consuming products
- *Example: What type of cookie is Troop 119 selling the most of?*



# International Trade

- **Trade** is when two people, companies, or countries exchange or purchase items with one another
- **International Trade** is when trade happens between countries, or between people in two different countries. Sometimes this is also called **Global Trade** (because it's trade all around the world)



# EXPORT vs. IMPORT

*When items are traded between countries,  
there are exports and imports*

**EXPORTS** are  
exiting  
a country



**IMPORTS** are  
coming into  
a country



# EXPORTS vs IMPORTS

*examples*

## What is Japan's Export?

- Let's say that Japan has high-tech goods, Russia has lumber, and they trade.

## What is Saudi Arabia's import?

- Let's say that Saudi Arabia has crude oil, America has agricultural goods, and Australia has cattle.
- Saudi Arabia sends the crude oil to America, America send agricultural goods to Australia, and Australia sends cattle to Saudi Arabia

# How people make products?

- **Resources** are things needed to make a product. There are many types
- **Natural Resources** are resources that comes from nature/the Earth



Which of the following are natural resources?

- Lumber
- Food
- Money
- Oil Reserves
- Workers
- Wind Power
- Mineral Deposits





# Population

- **Population** is how many people live in a location or country.
- Economists study different pieces of data to get a better understanding of a country's population and decide on a region's **Quality of Life**.

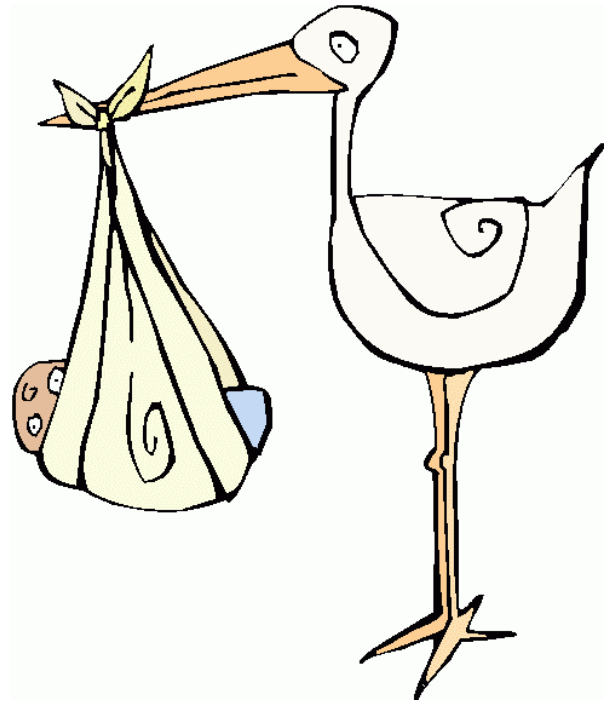


# Quality of Life

- **Mortality Rate:** The number of people who die compared to the population. Often called the death rate



- **Birthrate:** how many births are there compared to the population



# Quality of Life

- **Life Expectancy** is how long people in a country live on average
- **Literacy Rate** is the percentage of people who can read in a country



# Quality of Life

- **Gross Domestic Product** (or GDP) is the amount of goods/service a country makes per year
  - This piece of data is not very useful
- **GDP per capita** is how much is made on average per person in a country
  - This piece of data is **EXTREMELY** useful



# Quality of Life

- **Quality of Life** looks at all of these pieces of data and tries to figure out one thing: how nice is it to live in that country?

- ✓ Birth Rate
- ✓ Death Rate
- ✓ Life Expectancy
- ✓ Literacy Rate
- ✓ GDP per Capita





# Let's Practice

- What would be a country's quality of life (either high or low) if they had the following
  - Low mortality rate
  - High Literacy Rate
  - High GDP per Capita

- What would a country's quality of life be if they had the following
  - Low life expectancy
  - Low GDP per Capita
  - High mortality Rate

# Which country has the highest quality of life

	<u>Country A</u>	<u>Country B</u>	<u>Country C</u>
<b><i>GDP per Capita</i></b>	\$23, 000	\$89,000	\$9,000
<b><i>Mortality Rate</i></b>	15 per 1,000 people	8 per 1,000 people	12 per 1,000 people
<b><i>Literacy Rate</i></b>	85% Literate	93% Literate	73% Literate

# Which country has the highest quality of life

	<u>Country X</u>	<u>Country Y</u>	<u>Country Z</u>
<b><i>GDP per Capita</i></b>	\$15, 000	\$19,000	\$21,000
<b><i>Life Expectancy</i></b>	57 years	64 years	68 years
<b><i>Literacy Rate</i></b>	70% Literate	62% Literate	84% Literate