



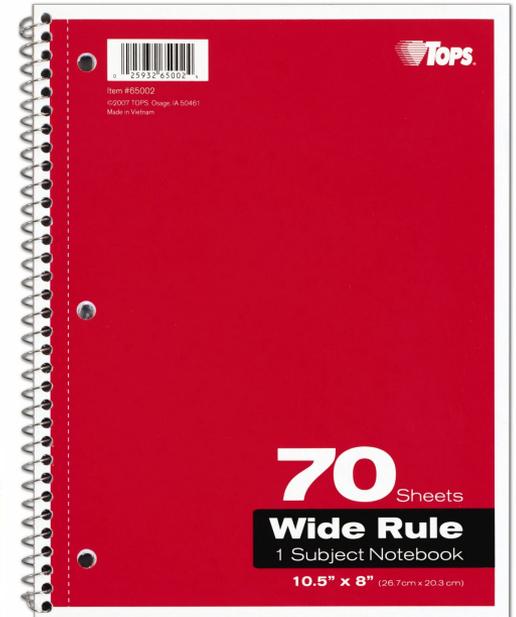
# PRINCIPALS OF BUSINESS & MANAGEMENT-

August 26<sup>th</sup>, 2015

Pd – 4B

# Welcome

- Syllabus Review
- Class materials
  - 2" Binder
  - Spiral Notebook
  - Binder Dividers



# Daily Procedure

- 1) Grab binder/notebook from the cart
- 2) Begin the “Do Now” assignment

## “Do Now” Format

Name: \_\_\_\_\_

Date: \_\_\_\_\_

“Do Now” Assignment Title: \_\_\_\_\_

“Do Now” Assignment:

---

---

---

---

---

---

---

---

---

---

# Getting to Know Each Other

## □ Networking 101



# “Do Now” (5 minutes)

How do you define the differences between NEEDS & WANTS?

“Do Now”

Name: \_\_\_\_\_

Date: \_\_\_\_\_

“Do Now” Assignment Title: \_\_\_\_\_

“Do Now” Assignment:

---

---

---

---

---

---

---



# PRINCIPALS OF BUSINESS & MANAGEMENT

## UNIT I – BUSINESS AND GLOBAL ECONOMIC ENVIRONMENT

August 26<sup>th</sup>

Pd – 4B

# 1-1: Satisfying Needs and Wants

---

## Objective:

You will be able distinguish between needs and wants, explain economic systems and choices, and describe the concept of supply and demand.

# 1-1: Satisfying Needs and Wants

- Vocabulary:
  - Good
  - Service
  - Needs
  - Wants
  - Economy
  - Natural resources
  - Economic resources
  - Capital resources

# 1-1: Satisfying Needs and Wants

□ **Goods**— Items you can see and touch.

□ Examples?

- Electronics
- Books
- Clothing
- Art



# 1-1: Satisfying Needs and Wants

- **Service** – Activities that are consumed at the same time they are produced.
  - Examples?
    - Carwash
    - Maid services
    - Auto maintenance
    - Hair styling
    - Manicure/pedicure

# 1-1: Satisfying Needs and Wants

- **Needs** – Items/services that are required in order to live.
  - Education
  - Employment
  - Safety
  - Food/water
  - Housing
  - Transportation



# 1-1: Satisfying Needs and Wants

- **Wants** – Items/services that are required in order to add pleasure/quality to your life.
  - Designer goods
  - A smart phone
  - Car
  - Television
  - A large home
  - Vacation trips
  - A maid
  - Etc.



# 1-1: Satisfying Needs and Wants

Goods & Services for Businesses and Consumers

What kinds of things do you think businesses need to purchase in order to operate? Lets assume you are Ford Motor Company...

(Ford Motor Company)

# 1-1: Satisfying Needs and Wants

- Ford Motor Company needs...
  - Steel
  - Plastic
  - Gasoline
  - Leather
  - Vinyl
  - Computers
  - Robots/Equipment
  - Staffing (Accounting, Human Resources, Finance, Managers, Security, Laborers, etc.)

# 1-1: Satisfying Needs and Wants

## The Economy



# 1-1: Satisfying Needs and Wants

- The United States is the largest producer of goods and services in the world, i.e., the US has the largest economy in the world.
- **Economy** - the wealth and resources of a country or region, in terms of the production and consumption of goods and services.

# 1-1: Satisfying Needs and Wants

- Economic Resources – The means through which goods and services are produced.
  - ▣ Economics resources are also known as “Factors of Production”

## Natural Resources

Raw materials supplied by nature

- Oil & natural gas
- Minerals
- Nutrients needed to grow crops, timber and to feed animals.
  - Rivers, lakes, oceans
  - Air

## Human Resources

People producing goods and services



# 1-1: Satisfying Needs and Wants

- **Capital Resources** – The products and money used in the production of goods and services.
- Examples
  - Buildings
  - Equipment
  - Supplies

# 1-1: Satisfying Needs and Wants

- Critical Thinking & Discussion...
  - ▣ Are resources limited? Defend your answer.





**PRINCIPALS OF BUSINESS &  
MANAGEMENT**  
**UNIT I – ECONOMIC DECISIONS AND SYSTEMS**

August 26<sup>th</sup>

Pd – 4B

# Do Now (5 minutes)

Are your wants and needs limited? Why or why not?

## "Do Now" Format

Name: \_\_\_\_\_

Date: \_\_\_\_\_

"Do Now" Assignment Title:

\_\_\_\_\_

"Do Now" Assignment:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Homework:

- Have your notebook and binder, with dividers, in class on Monday.

# Economic Choices & Econ. Systems

---

## Objective:

You will be able to Identify the basic economic problems, explain the steps in the decision-making process, identify the three economic questions, differentiate among the main types of economic systems, and describe the economic system of the United States

# Economic Choices & Econ. Systems

## Today's Vocabulary & Concepts

- The economic problem
- Scarcity
- Tradeoff
- Economic decision-making
- Opportunity cost
- The decision-making process
- Economic system
- Command economy
- Market economy
- Traditional economy
- Mixed economy
- Capitalism
- Competition

# The Economic Problem

- ...the mismatch of unlimited wants and needs conflicting with limited economic resources.

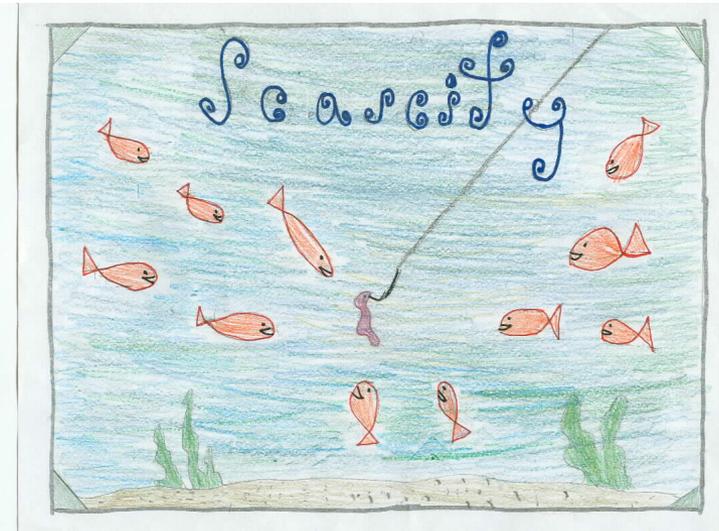


# The Economic Problem...

- Scarcity:
  - ▣ Not having enough resources to satisfy every need.

Question:

Have you ever struggled with scarcity?



# Choices, tradeoffs, and opportunity cost

## □ Economic Decision-Making

- ▣ The process of choosing which wants, among several, will be satisfied.

## □ Tradeoff

- ▣ Giving up something to have something else.



OR



# Choices, tradeoffs, and opportunity cost

- Opportunity cost
  - The value of the next-best alternative that you did not choose. Example:
    - If a business uses capital to purchase a new building, what will they not be able to purchase as a result. Those items not purchased are the opportunity cost.

# The 6 step “Decision-Making Process”

1. Define the problem
2. Identify the choices
3. Evaluate the advantages and disadvantages of each choice.
4. Choose one of your choices
5. Act on your choice
6. Review your decision

**D. I. E. C. A. R.**

# Assessment (Opportunity Cost)

- John has two hours before having to go to his part time job. He is deciding between studying for a math exam and taking a nap. If John chooses to take a nap, the opportunity cost of his decision is...
  - A) the rest he is getting
  - B) the score he will earn on the math exam
  - C) the wages from his part-time job
  - D) all of the above

# Activity...

- On a piece of paper...
  - Using the 6 steps in the decision making process, choose between participating in an after-school activity or holding a part-time job. Describe your thoughts as you matriculate through the steps.

D. I. E. C. A. R.

# Point of clarification:

---

## The two types of economic study

Macroeconomics – The performance, structure, and decision making of an economy as a whole.

Microeconomics – The individual relationships between buyers and sellers.

# The three economic questions

---

- 1) What needs and wants need to be satisfied?
- 2) What goods and services will be produced to satisfy those needs and wants?
- 3) How will the goods and services be produced?

# Types of Economic Systems

## □ Economic System

- A nations plan for answering the three economic questions.



# Types of economic systems

- Command Economy
  - ▣ Resources are owned and controlled by the government.
- Market Economy
  - ▣ Resources are owned and controlled by the people of the country.
- Mixed Economies
  - ▣ Combines elements of the command & market economies.

# Types of economic systems

- Capitalist Economy
  - ▣ Private ownership of resources by individuals rather than by the government.
- Traditional Economy (rare)
  - ▣ Good and services are produced in the way they have always been. (Countries utilizing a traditional economy are not participating in the global economy).

# Bonus -

- Using you our mobile devise, or a computer, as a research tool, tell me...
  - ▣ what factors make economies strong.
  - ▣ What factors make economies weak.



# Closing

- Which type of economic system do you prefer and why?

## “Closing” Format

Under today’s “Do now”...

Closing:

---

---

---

---

---

---

---

---

## Homework:

- Have you notebook and binder, with dividers, in class on Monday.

# Do Now (5 minutes) 9/2/14

Have you followed the “Do Now and Closing” format exactly as expected? Why or Why not?

**“Do Now” Format**

Name: \_\_\_\_\_  
Date: \_\_\_\_\_  
“Do Now” Assignment Title:  
\_\_\_\_\_  
“Do Now” Assignment:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Note:**  
**Your notebooks and binders are going to be checked today!!!**

**Homework:**  
None

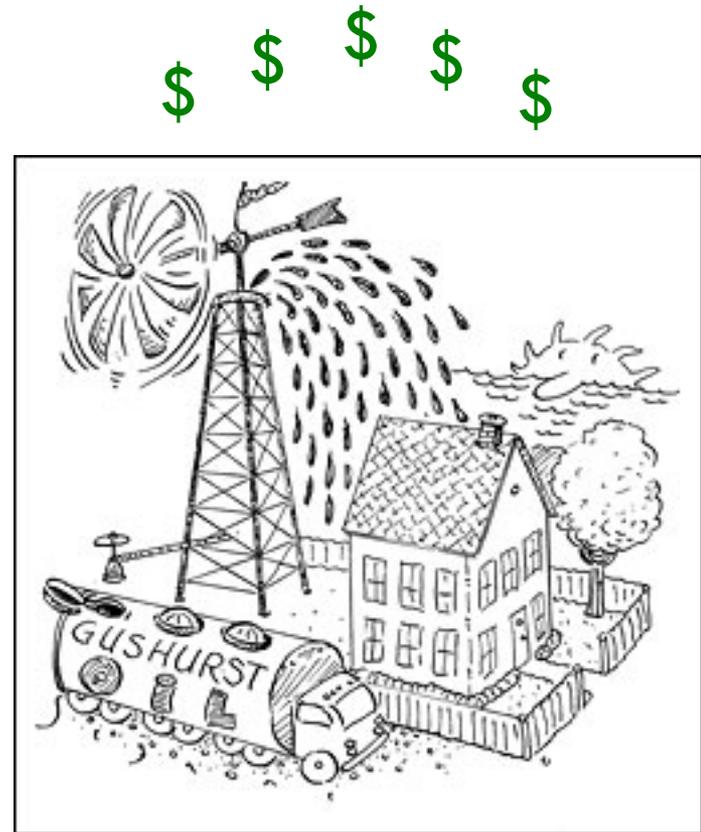
# The US Economic System !!!



(<http://businessgross.com/2013/04/22/who-drives-of-the-us-economy/>)

# CAPITALISM !!!!

- Capitalism refers to the private ownership of resources by individuals, rather than by the government.



# Capitalism!!!

---

- Individual owners are free to decide what to produce.
- Individual consumers are free to decide what to buy.

In Other Words...

**Free Enterprise Economics**

# Private Property...



- You can own anything you want as long as it does not violate the law.
- If you invent something of value, you are protected from others taking your idea.

# Freedom of Choice



- You can make decisions independently and must accept the consequences of those decisions.

# Profit



- Businesses invest resources and take risks for one primary purpose, to earn a profit.

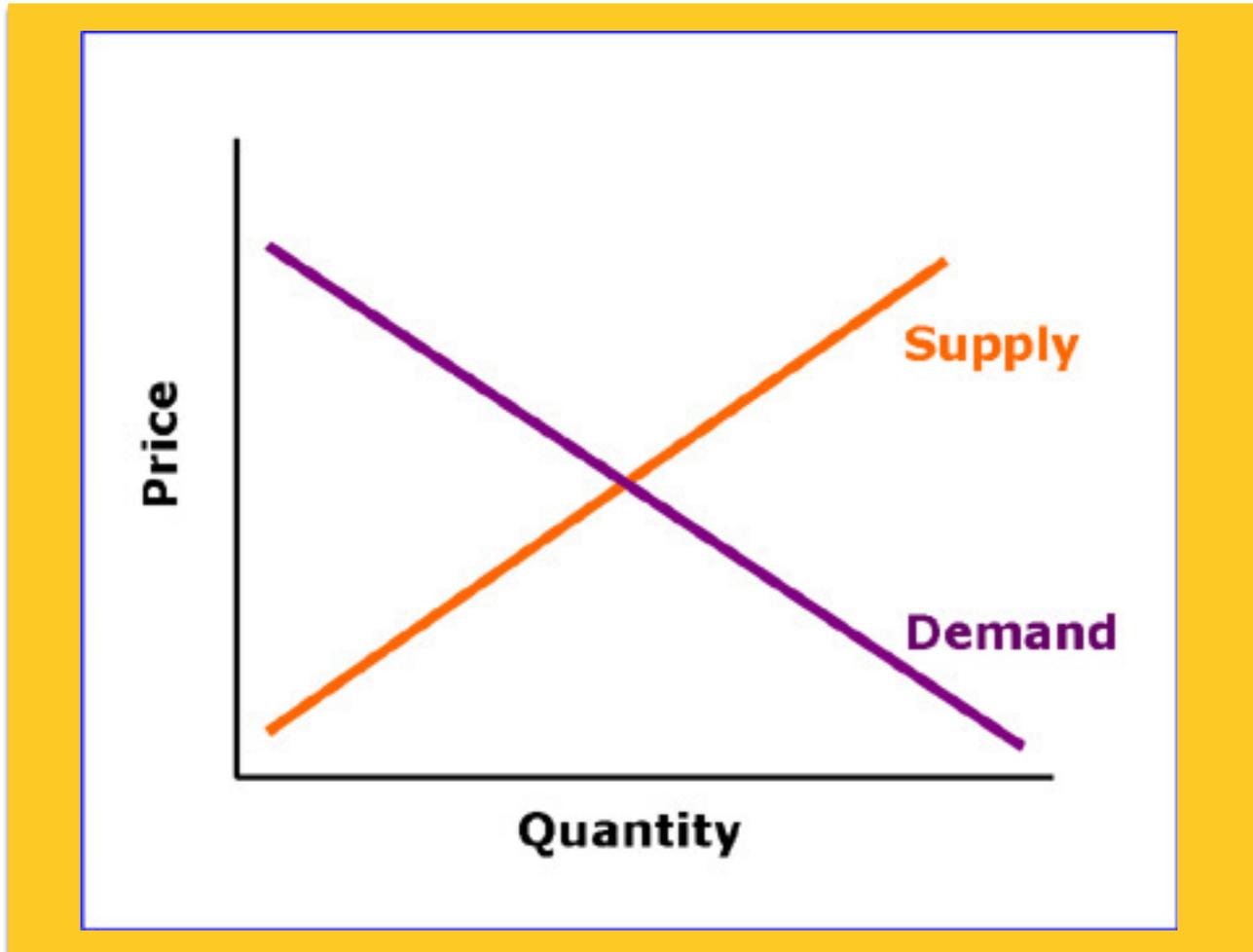
# Competition



- The rivalry among businesses to sell their goods and services is known as competition.

- END: US Economic System

# SUPPLY AND DEMAND



# Supply and Demand

---

- Objective –
- YOU will be able to describe supply and demand orally, and with graphs.
- YOU will also discuss how supply and demand affect prices of products and services.

# Supply and Demand

---

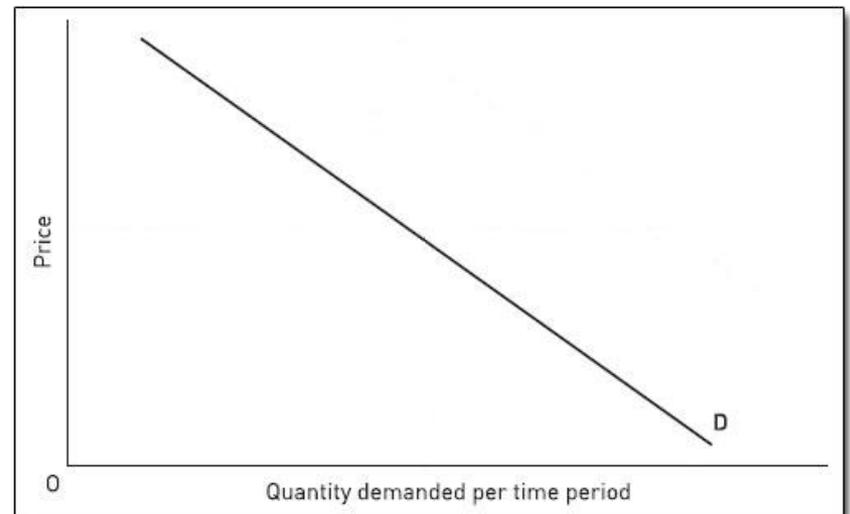
- Consumer - A consumer is a person who buys and uses goods and services
- Producers – Producers are individuals, and organizations, that determine what products and services will be available

# Demand

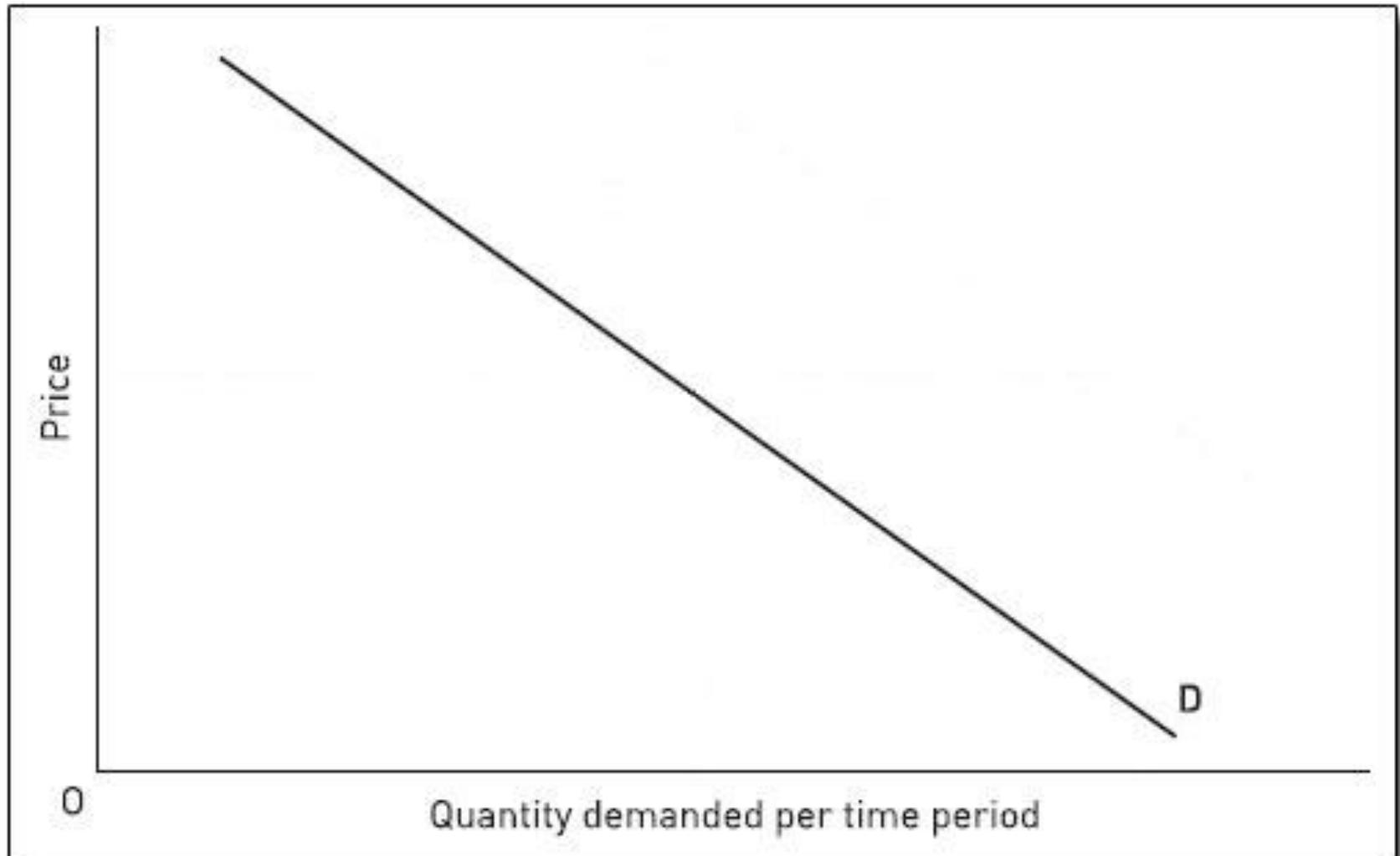
Demand –

Demand is the quantity of a good or service that consumers are willing and able to buy

**Consumers set demand**



# Demand Curve



# Supply

## Supply –

Supply refers to the quantity of a good or service that businesses are willing and able to provide.

### Producers set supply



# Supply curve



# Supply and Demand

---

- Discussion Question:
  - ▣ How does the price of a product affect the demand and supply?

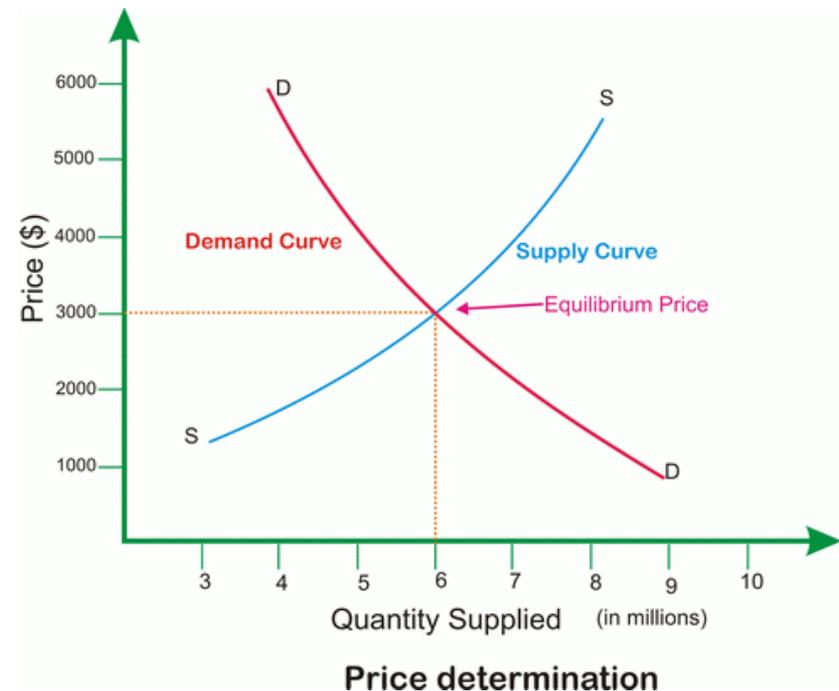
# Supply and Demand

- What factors influence demand for a product?
  - The availability of substitute products
  - The price of substitute products
  
- What factors influence the supply of a product?
  - The presence of competitors
  - Natural disasters
  - War
  - Weather

# Determining Market Price

## □ Market Price-

- The “market price” is the point where supply and demand are equal.



# Closing

- Why does the supply line have a positive slope (curve up)?

## “Closing” Format

Under today’s “Do now”...

Closing:

---

---

---

---

---

---

---

---

## Homework:

- Test on September 8th
- Study for Test

# Do Now (5 minutes) 9/4/14

Why is air free for us, but not for scuba divers?

## "Do Now" Format

Name: \_\_\_\_\_

Date: \_\_\_\_\_

"Do Now" Assignment Title:

\_\_\_\_\_

"Do Now" Assignment:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Homework:

- Test on September 8th
- Study for Test

# Quiz Review...



- Study Guide Worksheet

# Closing

- What study strategy are you going utilize while preparing for your Quiz?

## “Closing” Format

Under today’s “Do now”...

Closing:

---

---

---

---

---

---

---

---

## Homework:

- Test on September 8th
- Study for Test