Vocabulary

Assembly line
in many factories, an arrangement whereby each worker performs a specialized operation on the work as it is passed along from one to another.

Capital equipment
goods made by people and used to produce other goods and services. (Intermediate goods).

Choice
what someone must make when faced with two or more alternatives.

Consumers
people whose wants are satisfied by using goods and services.

Decision
the act of making up one's mind.

Division of labor
the process whereby workers perform only a single task or very few steps of a major production task, as when working on an assembly line.

Goods
objects that can be held or touched that can satisfy people's wants.

Human capital
the quantity and quality of human effort directed toward producing goods and services (labor).

Labor-work Markets
any setting where buyers and sellers exchange goods, services, resources, and currencies.

Natural resources
"Gifts of nature" that are present without human intervention.

Opportunity cost
the next best alternative that must be given up when a choice is made. Not all alternatives, just the next best choice.

Production/producers
people who use resources to make goods and services (workers).

Services
Activities that can satisfy people's wants.

Specialize
to make specific or particular

Trade flow
a model showing the interactions between households and business firms as they exchange goods and services and resources in markets.

Trade/exchange
trading goods and services with people for other goods and services or for money.