

Economics and Business

What is Economics?

Economics is a social science that observes how people perceive value of objects. In other words, economics is the study of how people making, trading, and buying things affects money and value. Without economics, the world would have no way of catching scammers and thieves, and the economy would be in crisis.

What is the economy?

The economy is a way of measuring how much money a country, state, province, or region has. This changes constantly because of **supply** and **demand**. An economy is always stable if the supply and the demand are balanced. This balance happens when the amount of a product **consumers** want is the same as how many the **producers** have made. If there is too much demand, then the economy **deflates**, and businesses go into debt and become **bankrupt**. Prices will also start to grow incredibly large as products become rarer. If there is too much supply, then the economy **inflates**, and money gets less and less valuable as prices slowly begin to stop matching the value of **goods**. If either of these things happen for a long enough time, then a country will go into an **economic depression** where jobs are lost and people go into poverty. Sometimes, this gets so bad, it affects the entire world. This has happened twice: from 1929-1939, and from 2008-2009.

Answer the following questions on the computer or in your books.

Evaluate and create

- 7 Research one of Australia's major industries (for example, farming, mining, transportation or tourism) and answer the following questions:
 - a How much does this industry contribute to the Australian economy?
 - b What would be the benefits of Australia specialising in this industry?

What are consumers and producers?

Consumers are the people of a country, state, province, or region that have wants or needs that need to be met by producers. You, your family, your friends, and your teachers are all consumers. On the other hand, producers are not individual people, but they are businesses run by people. They produce goods to meet the consumers' needs. Without producers, consumers wouldn't have jobs, food, water, or anything humans need and would be living in poverty. And without consumers, producers would lose all their money. Because of this, producers always try to attract consumers by responding to their wants. They will create different types of products to suit different people and draw more people towards their products. This sort of relationship is called **interdependence**.

Answer the following questions on the computer or in your books.

1. What is a producer?
2. What is a consumer?
3. What is their relationship called?
4. List 3 reasons why producers and consumers need each other.
5. Why and how do producers try and attract consumers with their different products?

What is supply and demand?

Demand is how much of a product/service buyers want. The relationship between price of goods and amount of goods demanded is called the **law of demand**, meaning that if prices go up, people are less likely to buy something, but if prices go down, people are more likely to buy something. On the other hand, supply is how much of a good producers can offer. The amount supplied is related to the amount of a certain good producers want to sell for a certain price. This relationship between price and the supply of a good or service is called the **law of supply**, which means that the higher the price, the more that producers want to sell it. Sometimes, producers will have sales, which means consumers can save money. This means more people want the good on sale and the demand goes up. These two need to be in balance for a stable economy. When they are in balance, it is called **equilibrium**, but if they aren't in balance, an **economic crisis** will happen, and everyone in the economy will lose lots of money.

Answer the following questions on the computer or in your books.

1. What is the law of demand?
2. What is the law of supply?
3. Why do consumers like buying things on sale and what happens to demand during a sale?
4. Why is equilibrium important?

Why do we work jobs?

The short answer is to make money, but that isn't seeing the bigger picture. We actually work jobs to help the economy grow and to give us the pleasures that we have today. If we didn't work jobs, then we wouldn't have things like TV's or books or even houses. The jobs we work give us money (this is called an **income**), and we keep that money safe until we need to use it to buy food, drinks, or anything we want. The other reason we work jobs is to keep the economy **stable**. This happens because the economy relies on people providing their goods or services to other people. Their jobs allow for the **trade** of goods and services.

What are the different types of jobs?

There are 7 different types of work: full-time, part-time, casual, at home, paid, unpaid, and volunteer. Unpaid and volunteer work are very similar since you don't get money for either. The only difference is that you sign up for volunteer work and agree to an offer for unpaid work. Paid work is made up of lots of other types of jobs, like full-time, part-time, casual, and 'at home'. Full-time work is when you work for a full day (normally 9am-5pm or 8am-6pm) or 38 hours every week and get paid a lot more than other types of work. Part-time work and casual work are also nearly the exact same because they both work less than 38 hours a week, but part-time workers work the same time every week and casual workers work different times every week. 'At home' work has become very common during COVID-19 and is where no matter if you work full-time, part-time, or volunteer jobs, you stay at home and do all your work online. Nothing else changes with working from home and is still like full-time work.

How do people who can't work jobs earn money?

When people earn a wage (money), a small section of that wage gets saved up into a **fund** (a collection of saved up money) called **superannuation**. Then, all of this money is available for you to spend when you retire (stop working forever). Sometimes, people can never work jobs because they are disabled or unwell, and other times they have just lost their jobs. When this happens, the government will give them enough money to survive on that is called a **grant**. This allows them to survive as long as they need.

Answer the following questions on the computer or in your books.

1. What are 2 reasons people work jobs and why?
2. How many hours a week do full-time workers need to work?
3. What work type is now common because of the pandemic?
4. Name every type of work/job and how much they get paid.
5. What fund is available to spend when you retire?
6. Why does the government give out grants?