

American Economic
Problems.

Definitions:

Science: A science is a body of knowledge about some subject, arranged in an orderly way to explain all the important facts about the subject.

Wealth: Wealth consists of all useful, material things which makes it satisfy a human want, that is, which makes it useful, is ability.

How to tell what is wealth.

Three questions: (1) Is it useful?
(2) Is it material? (3) Is it owned by any person or group of persons?

What is economics:

Economics is the ~~study of~~, ~~knowledge of~~ science of man's activities devoted to obtaining the material means for the satisfaction of his wants.

Unit A. Production and Business Organization
I. The Economic Process as a whole.

Objectives:

1. To show the importance of productive activity as a basis for getting a living and the uses of land, labor, capital, business enterprise and the state in modern production.
 2. To outline the great changes that have taken place in production, the characteristics which now distinguish it, the advantages of modern production, and some of its perplexing problems.
- A. The Business of Getting a Living
- I. An airplane view of Productive Activity.
 2. Variety of human activity
 3. Aim: To get a living
 4. Nature and Advantages of Production
- "Production is the performance of desirable services or the creation of desirable qualities in commodities called utilities"
- "Production stimulates man to think and act."

III. Getting a Living Then and Now.

1. For primitive man getting a living meant "survival and subsistence". Food, clothing and shelter.
2. In getting a living something is very important: Productive process.

IV. Production and Consumption.

1. The aim of production is consumption.
2. Almost half of U.S. inhabitants are gainfully employed.

V. Exchange and Distribution.

1. Primitive man worked for his own subsistence and that of his family.

B. Factors in Production.

1. Factors:
 1. Land.
 2. Labor.
 3. Capital
 4. Business enterprise.
 5. The State.

C. Production During the Handicraft Stage.

1. Characteristics of Handicrafts.
2. During that time no signs of great activity.
3. Advantages and Disadvantages in Handicraft Production.

D. The Industrial Revolution Mechanizes Production.

1. Technological Changes.
2. Nature of the Industrial Revolution: Change in textile industry.
3. Great Inventions in the Textile Industry.

1. The spinning jenny, the power loom and the cotton gin.

James Hargreaves in 1767, spinning jenny. 1785 - Edmund Cartwright power loom - tilar

4. Steam Engine by James Watt.

5. Steamboat - Fulton 1807.

6. Locomotive - Stephenson.

7. Other Mechanical Inventions and improvements.

E. Characteristics of Modern Production.

1. Factory system.

2. Mechanization and Standardization.

1. Many modern workers are not skilled craftsmen but machine tenders performing respective operations. Sometimes this work is dangerous as well as monotonous.

3. Large Scale of Mass Production