

Answer to the Question no :03

03. Describe the four categories of resource?

Answer: Goods do not just appear before us when we snap our fingers. It takes resources to produce goods .

Generally economists divided into four broad categories:

1. Land
2. Labor
3. Capital
4. Entrepreneurship

1.Land: Land includes natural resources, such as minerals ,forests ,water , and unimproved land .

For example: Oil, wood , and animal fall into the categories .

2.Labor: consist of the physical and mental talents people contribute to the production process.

For example: A person building a house is using his or her own labor.

3.Capital: capital consist of produced goods that can be used as inputs for further production , Factories , machinery , tools, computers , and building are example of capital . One country might have more capital than other. This means that it has more it has more factories , machinery tools , and so on.

4.Entrepreneurship: Entrepreneurship refers to the talent that some people have for organizing the resource of land , labor , and capital to produce goods , seek , new business opportunities , and develop new ways of doing things.