



# Economics Study Guide



## - The BIG IDEA: Trade and Money -

*People and nations make choices about what to buy. There are never enough resources, goods, or services to satisfy people's wants. In this unit, students will read about making choices about buying, the work people do to earn money, and the resources people need to make a product.*

### Lesson 1: Needs, Wants, and Choices

Needs are things that people must have to live: food, water, clothing, and shelter.

Wants are things that people would like to have but are not needed to live.

People have to make choices about what to buy.

### Lesson 2: Goods and Services

Goods are things that people make or grow. You can touch them.

Many goods are made in a factory.

Services are activities/work that people do for people like doctors, teachers, or dog walkers.

These people do not make things and earn money for their services.

Volunteers are people who work without pay because they want to help others.

### Lesson 3: Producers and Consumers

A producer is a person who makes or grows something.

A consumer is someone who buys or uses things.

Income is what people earn when they work. People do different kinds of work.

### Lesson 4: Supply and Demand

Supply is the amount of a product that you have.

Demand is how much of a product we want.

One service a bank has is called a savings account.



### Lesson 5: World Trade

Trade is to exchange one thing for another.

### Lesson 6: Saving, Spending, Borrowing, Giving and the Role of Banks

Saving is to put aside some money to use later.

Spending is using money to buy goods or services.

Borrowing is to get money from a bank with the promise of paying it back.

Giving is to give a service, a good or your time to someone for free.

Income is money that you earn for work that you do.

A bank is a place to put your money to keep it safe and to earn interest.

Interest is money that a bank pays you for letting them use your money.