Resources are finite but the wants are infinite, to sort it out we need **ECONOMICS**.

- **Scarcity** → rationed by price
  - limited
  - not everyone can buy everything

- **Choice** → sacrifice want
  - people don't have infinite salaries
  - opportunity cost
  - what/how much
  - how? (machines/workers)

**Economic problem**
- who, to who?
- richer/poorer

**Factors of production**
- labour
  - physical contribution
  - mental contribution
- capital
  - investment
  - physical
  - machines
  - roads
  - resources
- land
  - resources
  - raw materials
  - fossils
- management
  - organisation
  - produces goods/services

**Production Possibilities curves**:
- max combination of goods that can be produced in a certain country at a certain time period.
- The curve is at the point where all resources available are in use and technology is fixed.

- A → B = Actual growth
- B → C = Potential growth (increasing PP)
- D = impossible