

The Basic Concepts of Economics

Needs: are the basic goods and services for human survival and well-being, such as food, shelter, clothing, education, and healthcare. It's worth noting that while technology and the internet may enhance well-being and quality of life, they are generally considered "wants" rather than "needs" in the traditional sense. However, societal shifts and changes in lifestyle may influence perceptions, leading some to view certain technologies or internet access as essential for meeting basic needs in the modern world.

Wants: are goods and services that are not necessary for basic survival they are considered as wishes and desire. These can include any type of entertainments and luxury items. Wants are broader than needs because they vary from person to person and are influenced by cultures and some societal trends.

Economy: refers to the system of production, distribution and consumption of goods within a particular region or a country.

Economics: is a social science that studies how societies allocate scarce resources to satisfy unlimited wants and needs.

Goods: are tangible items that are bought, sold, traded and produced by people like food and clothing.

Services: tasks that are done for someone else. They are intangible and cannot be felt like receiving a medical care.

Consumer goods: goods that are intended for a direct consumption by individuals or household.

Capital goods: are resources used in the productions for other goods and services, like machinery and vehicles.

Durable goods: are goods designed to last for more than three years when regularly used, such as appliances and furniture.

Non durable goods: are items that expected to be used within three years or less like food.

Consumer: the end user who uses goods or services for their personal satisfaction.

Customer/ client: someone who regularly purchases goods and services from a business.

Consumption: the act of using up goods or services having an exchangeable value such as money.