

Module 1: Government Foundations
Topic 4 Content: Introduction to Economics

Introduction



Demi Tracy: Welcome to the show! Today we will take a look at economics. Emily Airheart is here with a special edition of Global Guide.

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Global Guide Introduction



Emily Airheart: Welcome to a special economic edition of Global Guide. During my travels around the world, I have had the opportunity to experience a lot of different countries. I have noticed that in different places around the world, citizens earn a living in various ways. In some countries, citizens have the freedom to choose how to earn a living. In other locations, the government retains the majority of that control. To help explain the concept of economics, financial analyst Cain S. Hayek is with us in the studio. Cain, what exactly is an economy?

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Global Guide: Economic Edition



Cain S. Hayek: Hello Emily. I am quite pleased to be here. Regarding your question, let me answer you by presenting an example: a young entrepreneur named Eve.

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Eve's Events



Cain S. Hayek: While growing up, Eve enjoyed organizing and attending group events. She particularly enjoyed events like birthday parties, graduation celebrations, and holiday gatherings. When the time arrived for Eve to decide her profession, she decided to start a business in the event planning arena. She named her company Eve's Events.

In order to advertise her company's services, Eve uses television and radio commercials, online resources, and the mail. When a potential client contacts Eve, there is certain information that she will need to know in order to begin planning:

- The type of event
- The date of the event
- The number of attendees
- The food and music preferences
- The budget restraints

Once she has all of the necessary information from her client, Eve can begin planning the event. Eve's Events is an example of how individuals contribute to an economy.

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What is an Economy?



Cain S. Hayek: What exactly is an economy, though? An economy can be described as the production, distribution, and consumption of goods and services.

In an effective economy, goods are produced and services are provided. Then, those goods and services are distributed to consumers who purchase them. When establishing an economy, a nation must be able to answer the three basic questions:

1. What will be produced?
2. How will it be produced?
3. For whom will it be produced?

In the case of Eve's Events, Eve had the ability to create a business that answered the three basic economic questions in a manner that suited her:

1. What will be produced? An event planning service.
2. How will it be produced? By gathering the necessary information from potential clients, and planning the details of the event accordingly.
3. For whom will it be produced? The public.

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Cain S. Hayek: When thinking about an economy, either on an individual or global scale, you should be able to answer the three basic questions. I'm Cain S. Hayek. Thank you for joining me. Back to you, Glover and Demi.

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Conclusion



Glover Mint: Thank you, Cain and Emily, for the special edition of Global Guide. Thank you for tuning in. We will see you next time.