

**Sangam Skm College – Nadi**  
**Lesson Notes-Week1**  
**Year 10**  
**Commercial Studies**

**Strand 3: Introduction to Economics**

**Learning Outcome:** Students Able To Identify Different Types of Economic System

**Notes**

**Economic System**

A method by which a society decides what, how and for whom goods and services are to be produced.

<b>Economy</b>	<b>Characteristics</b>	<b>Advantages</b>	<b>Disadvantages</b>	<b>Resource ownership</b>	<b>Decision makers</b>	<b>Medium of exchange</b>
<b>Traditional (Subsistence)</b> Controlled by cultural beliefs and customs	-uses primitive methods of production e.g., hunting -rely on natural resources -uses wood and stone technology - self-sufficient (production for own use)	-Simple forms of social organization -little need for capital innovations. -Has no industrial pollution. -No need for money.	- Little choice of goods for consumption. - low level of standard of living -no economic growth. -low level of specialization and technology.	Owned collectively by the society	Chiefs and heads of household	Barter system
<b>Free Market (Capitalist, Free Enterprise or Laissez Faire)</b> Resources are owned by private individuals	<b>-Consumer Sovereignty</b> (consumers demand determines production) <b>Profit motive.</b> <b>Price Mechanism/Invisible Hand</b> (Prices are determined by the market forces of Demand and Supply) -Use technology and modern methods of production	-Freedom of choice -Encourages efficient use of resources - innovations and technologies progress - High degree of specialization	- inequality in distribution of income -Development of business can lead to monopolies and cartel, - Exploitation through unsafe and misleading practices	Resources are Privately owned.	Private individuals or business firms.	Money and modern methods of payments (Card system and Electronic Banking)

**ACTIVITY**

1. Define the following terms:

- a. Consumer sovereignty
- b. Price mechanism
- c. Economic system

2. Another name for Free Market Economy is

- A. Capitalisation.
- B. Communism.
- C. Subsistence.
- D. Laissez Faire

**SANGAM SKM COLLEGE-NADI**  
**LESSON NOTE – WEEK 2**  
**YEAR 10 COMMERCIAL STUDIES**

STRAND	3. ECONOMICS
SUB-STRAND	3.1 INTRODUCTION TO ECONOMICS
CONTENT LEARNING OUTCOME	-Explain and describe the features, advantages and disadvantages of Command Economy and Mixed Economy. -Identify economic problems and describe the 3 basic questions: what to produce, how to produce and for whom to produce under different economic systems.

Economy	Characteristics	Advantages	Disadvantages	Resource ownership	Decision makers	Medium of exchange
<b>Command (Collective or planned economic system)</b> Resources are owned by the Government	-Government or state controls and owns most of the resources - Strong emphasis on producing capital goods. -Decisions are for the general welfare of the state as a whole.	- Productions are directed towards peoples need - Fair allocations of resources. -Minimized wastage of resources - controls economic stability - controls the income distribution	-No freedom of choice for consumers. - State dictates production. No competition-inefficiency, resources are not properly utilized. - Lack of incentives to work hard	State or government	State or government	Money and modern methods of payments (Card system and Electronic Banking)
<b>Mixed</b> Resources are owned by both Individuals and the Government e.g., Fiji, Australia,	-Profit motive and free enterprise -Private ownership of property -Freedom of choice -Price mechanism -Price regulation for essential goods -State enterprises to promote social welfare	- Profit motive. - provides for freedom of choice and consumer sovereignty - Permits healthy competition between private and public sectors	-Private sectors are reluctant to provide public and merit goods. - Monopolies may restrict output in order to increase prices this may be against public interest. -The industry is often unstable.	Private individuals and the State	Private individuals and the State	Money and modern methods of payments

**The THREE BASIC ECONOMIC PROBLEMS are:**

**i. What to produce?**

Every economy must determine what products and services and what volume of each to produce.

**ii. How to produce?**

The mix of resources to use to create the goods and services.  
 The combination of various methods and techniques used produce goods and services.

**iii. For whom to produce?**

Is focused on who receives what share of the products and services which the economy produces.

The distribution of goods and services to consumers in the economy.

**ACTIVITY**

**A. MULTIPLE CHOICE**

1. Mixed economy is where
  - A. resources are owned by the government.
  - B. people are free to produce anything they want.
  - C. resources are owned by individuals and government.
  - D. people grow their own food and build their own shelters.
  
2. Who decides on what to produce in a Command Economy?
  - A. Producers
  - B. Consumers
  - C. Government
  - D. Families and Societies
  
3. Which of the following economic system is controlled by the government?
  - A. Capitalist
  - B. Planned
  - C. Traditional
  - D. Free Market

**B. SHORT ANSWERS**

1. Describe any **two** economic problems that exist in all economies.
2. Describe **two** features of a Command Economy.
3. State **two** disadvantages of Mixed economic system.

**C. PARAGRAPH WRITING**

**“Command economy is also known as Planned economy”.**

With reference to the above statement:

- state **one** characteristic of Command economy.
- explain **two** advantages of Command economy.
- explain **two** disadvantages of Command economy.



**SANGAM SKM COLLEGE-NADI**  
**LESSON NOTES – WEEK 3**  
**YEAR 10 COMMERCIAL STUDIES**

STRAND	<b>3. ECONOMICS</b>
SUB-STRAND	<b>3.2 MICRO-ECONOMICS</b>
CONTENT LEARNING OUTCOME	<b>Explore ways to use, manage and sustain resources.</b>

**Economic Resources (Factors of Production)**

- Are input into production process that is used to produce goods and services.

The **basic economic resources** are:

1. Land (Natural resources)
2. Labor (Human resources)
3. Capital (Manmade resources)
4. Entrepreneurship (Management resources)

**Managing and Sustaining These Resources**

**1. Land – land management through crop rotation**

- Land management is the process by which the resources of land are put to good effect.
- It can include farming, mineral extraction, property and estate management, and the physical planning of towns and the countryside.

**2. Labor – through education and training**

- Education and training will develop labor skills and competencies that will improve overall productivity.

**3. Capital – through innovation**

- How effectively and sustainably material goods or fixed assets are used in the production process.

**4. Entrepreneurship – through research and development**

- Development of managerial skills through research and development.

**1. Copy and complete the table.**

	<b>Land</b>	<b>Labor</b>	<b>Capital</b>	<b>Entrepreneurship</b>
<b>Resources</b>	Natural			Management
<b>Definition</b>				Combines land, labor and capital to produce goods and services. Manages and takes risk.
<b>Managing/ sustaining</b>				Through research and development.
<b>Returns/ factor payment</b>			Interest	Profits

**2. MULTIPLE CHOICE**

- What will be the best way to manage and sustain capital resources?
  - Through innovation
  - Through crop rotation
  - Through education and training
  - Through research and development
- The **best** way of managing and sustaining our labour resources is through
  - innovation.
  - crop rotation.
  - education and training.
  - research and development
- Which of the following is classified as a man-made resource?
 

A. Sea	C. Land
B. Dalo	D. Machine
- Another name for land is \_\_\_\_\_ resources.
 

A. human	C. man-made
B. natural	D. management

