

## Evaluate: Applying the Factors of Production

### Background:

- A major film producer has decided to retire and move to your town. He plans on opening and operating a theater to occupy his free time. Consider all the productive resources that must come together to create the magical experience of visiting a performing arts show. It takes many people, doing many different jobs, using many kinds of tools and equipment to produce the products and services people use.

### Task A:

Study the list of things needed to build the performing arts center. Categorize the items on the list under the factor of production it best fits. There are 7 examples for each category, except entrepreneur, which has only 1.

- Ticket Sellers
- Chairs
- Wood
- Cleaning Crew
- Marble
- Musicians
- Microphones
- Set Lights
- Silkworms
- Cotton
- Singers
- Curtains
- Make-up Artists
- Costumes
- Water
- Drums
- Air Conditioners
- Set Designers
- Iron Ore
- Carpenters
- Theater Owner
- Oil

Land	Labor	Capital	Entrepreneur
1. Wood	8. Ticket Sellers	15. Chairs	22. Theater Owner
2. Marble	9. Cleaning Crew	16. Microphones	
3. Silkworms	10. Musicians	17. Set Lights	
4. Cotton	11. Singers	18. Curtains	
5. Water	12. Make-up Artists	19. Costumes	
6. Iron Ore	13. Set Designers	20. Drums	
7. Oil	14. Carpenters	21. Air Conditioners	

**Task B:** Find and underline examples of the four Factors of Production in the following scenario. Classify them in the box.

You decided to order a pizza. First, you picked up the telephone and gave your order to the owner. He entered it into the computer. This information appeared on the kitchen monitor and the baker assigned your order to one of his cooks. The cook mixed dough out of salt, flour, eggs, and milk. The cook finished mixing dough, washed his hands in the sink, and prepared your pizza using tomato sauce, cheese, and sausage. He then placed the pizza in the oven. Within 10 minutes the pizza was cooked and placed in a cardboard box. The delivery person then grabbed your pizza, jumped in the company car, and delivered it to your door.

Land	Labor	Capital	Entrepreneur
<ul style="list-style-type: none"> <li>• salt</li> <li>• eggs</li> <li>• milk</li> </ul>	<ul style="list-style-type: none"> <li>• Pizza</li> <li>• Telephone</li> <li>• Computer</li> <li>• Kitchen Monitor</li> <li>• Flour</li> <li>• Tomato Sauce</li> <li>• Cheese</li> <li>• Sausage</li> <li>• Oven</li> <li>• Cardboard Box</li> <li>• Company Car</li> </ul>	<ul style="list-style-type: none"> <li>• Baker</li> <li>• Cooks</li> <li>• Delivery Person</li> </ul>	<ul style="list-style-type: none"> <li>• The owner</li> </ul>

**Task C:** Choose one of the following industries and think of a few examples for each of its factors of production.

- Options: Music Industry Oil Industry Space Industry Auto Industry

The Factors of Production for the \_\_\_\_\_ (Student Choice) \_\_\_\_\_ Industry

- Answers will vary Ex: Auto Industry

Land	Capital	Labor	Entrepreneur
EX: iron ore water oil	EX: factory Glass Tires Machines Lightbulbs	EX: Factory workers Truck drivers Car Salesmen	EX: owner of Ford

**Task D:** Hypothesize then explain your response.

- How might other factors of production in an industry be affected if...?
- Answers will vary - Sample Ideas

A. Due to severe droughts, small harvests led to a worldwide shortage in the supply of cocoa beans.

44. Labor: **Factory workers lose jobs because they can't produce the candy**

45. Candy Bar Entrepreneurs: **Loses money due to higher prices for chocolate bars**

B. Flooding in Thailand forces a Nike factory to temporarily stop production until repairs are complete.

46. Capital: **must spend money replacing tools and machines**

47. Customers: **Prices for tennis shoes rises dramatically due to limited supply**