

Tasks for Chapter 1, The Nature of Business

These are the tasks you are to complete in this module. Complete each item, from top to bottom, in the order given here.

1.1 The Nature of Business

1. Watch this video titled *Episode 3: Resources*. It's from the YouTube Channel of *mjmfoodie* <https://www.youtube.com/watch?v=0PgP0dXAGAE> (length 4:20) Notice in the video, these are called “resources” but your text will call them **factors of production**. Notice also, the video only includes four “resources” but your textbook includes five (your textbook adds *Knowledge*.)
2. **A quick note about lists, categories, etc:** Think of these “factors of production” as a kind of “checklist” of categories. In your college classes, you’ll see lots of checklists and lists of categories.. These are usually presented to help to help understand something better. For the most part they are categories or terms accepted by people who work in the field, and they provide a framework for discussing topics, or understanding the topic better. For example, if we wanted someone to understand what a dog is, we might come up with a list: 1) it has four legs, 2) it is a carnivore, 3) it barks, etc. This list gives everyone a common frame of reference--we all now better understand what a dog is--and then we can better discuss dog-related things. Many times these lists are arbitrary. But once you learn the list, you’ll understand the topic better. At least that’s the idea :) So, once we all understand the topic (in this case, we all know what a dog is), we can then use that term in conversation without needing to reexplain it. So, we can talk about how to feed your dog, for example, and we don’t have to explain what a dog is. In business, we can use the phrase “factors of production” and everyone knows what you’re talking about.
3. Read the section in your textbook [1.1 The Nature of Business](#)

1.2 Understanding the Business Environment

1. Watch this video from Alanis Business Academy: *The External Business Environment*, (Length: 21 minutes) <https://www.youtube.com/watch?v=rFUs1wYKtKI> Notice the video only has six subenvironments, but your text has seven. Your textbook adds the *demographic* external factor.
2. Read the section in your textbook [1.2 Understanding the Business Environment](#)

1.3 How Business and Economics Work

1. Watch this video titled ***Economic Systems and Macroeconomics: Crash Course Economics #3:*** <https://www.youtube.com/watch?v=B43YEW2FvDs> (length 10:17)
2. Read the section in your text [1.3 How Business and Economics Work](#)
3. Listen to Freakonomics broadcast, *How the Supermarket Helped America Win the Cold War* <https://freakonomics.com/podcast/farms-race/>
4. **Take the Freakonomics Quiz in Blackboard** This is a short quiz to determine that you listened to the podcast. It’s not a deep, thoughtful look at the topics.

1.4 Macroeconomics: The Big Picture

1. Watch this video titled *Unemployment - Economic Lowdown, Ep. 10* from the Federal Reserve of St. Louis http://www.youtube.com/watch?v=IOoV1Q_VGFA (length 7:20)
2. Read the section in your textbook [1.4 Macroeconomics: The Big Picture](#)

1.5 Achieving Macroeconomic Goals

1. **Teacher notes:** As you read this section in the text, here are some terms and concepts you should know.
Fiscal Policy is when government controls economic growth through taxing and spending.
Spending: When government spends, the economy gets stimulated and grows. For example, let's say NASA (a government agency) spends more money and hires more computer programmers. These programmers then spend money on food, clothes, houses, etc., which puts other people to work (waiters, real estate agents, car dealers, etc). These people then spend money, and the cycle continues. Of course, when the government spends *less* money, the economy will contract.
Taxing: when government lowers taxes, people have more money to spend, so the economy grows. When taxes go up, people have less money to spend, so the economy contracts. **Deficit Spending:** When government spends more than it receives through taxes, it creates a *deficit*. This is money government borrows and must be paid back eventually. The economy gets stimulated and will grow (yay!) but the national debt will grow (boo!). **Monetary Policy:** Monetary policy is another way the government can control economic growth. The goal of monetary policy is to control economic growth by putting more or less money in the economy (this is called the **money supply**). Remember, the more money people have, the more they spend, and the more they spend, the more jobs that get created, etc. Monetary policy is done primarily via The Fed (the Federal Reserve Bank). The Fed is sometime called the the "bank of the banks." We will cover The Fed in more detail in a later chapter, but the main point for us know now is that The Fed controls how much money banks can loan and how much the banks charge for loans (the amount you get "charged" for money loaned to you is called the interest rate. It is the "fee" you pay to use someone's money.) So, if banks have less money to lend, or if they charge a higher interest rate, people and businesses will not take out loans as much. The result is less money in the economy. Remember, less money, means less spending and fewer jobs, etc. (boo!) I.e., the economy contracts. Of course, if The Fed allows banks to loan out lotsa money, the economy grows!! (yay!)
2. Read the section in your text [1.5 Achieving Macroeconomic Goals](#)

1.6 Microeconomics: Zeroing in on Businesses and Consumers

1. Watch the milk video titled *Demand and Supply Explained-Macro Topic 1.4 (Micro Topic 2.1)* from Jacob Clifford <https://www.youtube.com/watch?v=LwLh6ax0zTE> (length 6:42)
2. Watch the "dairy farmer" video titled *Demand and Supply Explained Part 2 - Macro Topic 1.5 (Micro Topic 2.2)* from Jacob Clifford <https://www.youtube.com/watch?v=ewPNuglqCUM> (length 4:54)
3. Read section [1.6 Microeconomics: Zeroing in on Businesses and Consumers](#) in your textbook

1.7 Competing in a Free Market

1. Watch the video titled *Episode 25: Market Structures*. It's from the YouTube Channel of *mjmfoodie* <https://www.youtube.com/watch?v=9Hxy-TuX9fs> (length 5:51)
2. Read section [1.7 Competing in a Free Market](#) in your textbook

1.8 Trends in the Business Environment and Competition

1. Read section [1.8 Trends in the Business Environment and Competition](#) in your textbook

Take the Chapter 1 Quiz in Blackboard This is a quiz covering chapter 1. Notice you only get one attempt for this assignment. You have 30 minutes to complete it.