

Book 1

Year 9



Business Studies

Economics

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Economics



GOVERNMENT OF SĀMOA
MINISTRY OF EDUCATION, SPORTS AND CULTURE

Acknowledgements

The Department of Education would like to thank the following writers for their vision, patience and hard work in putting together this valuable book.

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Material produced at the Curriculum Development Unit of the Department of Education as part of the Sāmoa Secondary Education Curriculum and Resources Project.

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Funded by the New Zealand Agency for International Development,
Nga Hoe Tuputupu-mai-tawhiti.

Managing Contractor: Education and Development for Asia and the Pacific.

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Unit 1: BUSINESS STUDIES ECONOMY

Introduction

Discuss the following points with your teacher. You should have many questions.

Business studies will help you:

- Learn skills and knowledge which can be applied to everyday activities found in different business organisations at all levels.
- Learn how earning and spending money is of great importance to the country and its people.
- Introduce you to how activities such as farming, food, trading, sports, schools, entertainment, clubs and government, inter-relate.
- Learn how to manage your own business.
- Understand the necessary skills required to manage the resources available to us in everyday life.
- Learn the skills needed to be able to solve the problem of limited resources.

What is Economics?

- It is the study of how people manage the availability of limited resources to satisfy their unlimited needs and wants.
- O se tomāi ma sūesuega i mataupu tau i le tamaoaiga o se atunuu, e aofia ai le faaaogaina tataua o ala manuia e pei o faatoaga, oloa gaosi, gataifale, tagata ma tupe mo ni faaiuga talafeagai mo le soifuaga.

Unit 1: PRODUCER IN THE ECONOMY

AIM:

- From their study of Producers' Decisions students will understand the diversity and goals of producers.

Objectives

Students will investigate and develop their skills and understanding of Producers in the economy when they:

1. Describe the economic problem and its relevance to producers.
2. Identify and describe individuals/groups who participate in the production of goods and services.
3. Investigate and recommend goods and services which could be produced locally.

WORDS TO STUDY

- Resources
- Consumers
- Unlimited
- Shortage
- Producer
- Demand

Introduction

Every day, everyone needs or wants something. They may either buy or make those things in order to satisfy their needs and wants.

People produce things to help meet those needs and wants. These people are known as producers.

A producer is a person who produces goods and services. Producing goods and services is a process called production.

Economic Problem

There are not enough resources to produce all the goods and services that would satisfy all the needs and wants of all individuals or consumers. This becomes an even greater problem because not only are the available resources not enough, but our needs and wants are unlimited. There are never enough resources to meet the unlimited needs and wants of individuals.

Because of this shortage in resources, producers are faced with problems of how these limited resources can be obtained to produce the goods and services required to meet the needs of consumers.

Role of Producers

KEY WORDS

- Primary producer
- Secondary producer
- Tertiary producer
- Producer
- Patient
- Service
- Unprocessed
- Raw material
- Entertainer

What is a producer?

A *producer* is a person who produces goods and services in order to satisfy the needs and wants of consumers. There are three main types of producers.

1. Primary Producer.
2. Secondary Producer.
3. Tertiary Producer.

The most basic example for these types of Producers are :



Primary producers do such things as grow crops, mine minerals, cut down trees or catch fish. They are people who produce or obtain something in an unprocessed or raw state.

Secondary producers are people who make something from a primary product e.g., brick producer, banana chips' producer, a wooden-toy maker.

Tertiary producers are people who provide a service e.g., dentist, bank teller, shopkeeper, taxi-driver and entertainer.

So the role of a producer is to make use of the limited resources available to him or her, to produce the maximum amount of goods and services with these resources to provide for the needs and wants of consumers.

ACTIVITY 1

Industries

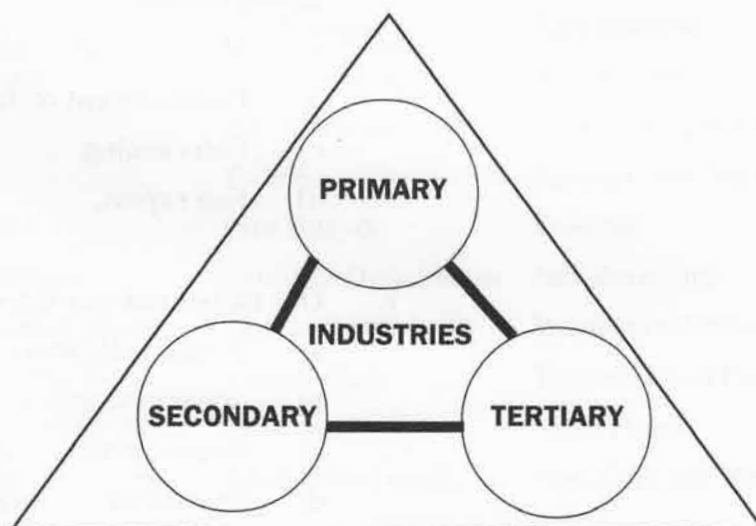
Primary Industries

An economy has three kinds of industries. Industries that provide raw materials for manufacturing goods, are primary industries. The industries that use raw materials and partly finished goods for the production of consumer goods or capital goods, are secondary or manufacturing industries. The human efforts or services involved in making manufactured goods available for the users of them, come under the heading of Tertiary or Service industries.

In commerce, service industries are very important, for example the services involved in transportation, communication, trade, accounting, banking, insurance, warehousing and advertising.

From the background information given above answer the following questions in your exercise book. Choose the best answer for each of the multiple choice questions.

1. What idea is suggested by the diagram below.
 - a) Independence among industries.
 - b) Dependence among industries.
 - c) Interdependence among industries.
 - d) Partial dependence among them.



2. Which one of the following groups gives the best example of primary products?
 - a) Breadfruit, milk, banana and chocolate.
 - b) Coconut, fish, clams and tuna.
 - c) Timber, chair, table and cricket bat.
 - d) Iron, car, bridge and hospital.

3. Most people in Samoa are:
 - a) Primary producers.
 - b) Secondary producers.
 - c) Tertiary producers.
 - d) Manufacturers.
4. Which of the following primary industries does the government of Samoa now find the most profitable?
 - a) Farming.
 - b) Fishing.
 - c) Forestry.
 - d) Mining.
5. What makes mining uneconomic in Samoa?
 - a) Few deposits of useful minerals and metals.
 - b) Loss of human life.
 - c) High technology cost.
 - d) High transportation cost.
6. What manufacturing enterprises could be developed from our fishing industry?
 - a) More raw fish production.
 - b) Establishment of fish breeding.
 - c) Fish canning.
 - d) Fish export.
7. Our timber industry faces a big problem because:
 - a) People build more wooden houses.
 - b) Other countries are selling their timber in Samoa.
 - c) Samoan timber is low in quality.
 - d) Overuse of our forests.
8. Primary industry is better for Samoa because:
 - a) It does not need much money to establish.
 - b) Samoa has over-population.
 - c) Samoan people are very good farmers.
 - d) Samoan people are very good fishermen.

9. Most of our local food items come from:
- Primary industry.
 - Secondary industry.
 - Tertiary industry.
10. A good climate and the quality of our soil helps our:
- Tertiary industry.
 - Manufacturing industry.
 - Fishing industry.
 - Farming industry.

ACTIVITY 2**More on Industries**

Draw three columns in your exercise book and name them Primary, Secondary, and Tertiary. Write examples from the following list in the appropriate column.

Crab	Bank	Hellaby Samoa
Coconut	TV Samoa	Vailima Breweries
Biscuit	Ott Transport	Apia Bottling
Ice-cream	Samoa College	Molesi Samoa
Milk	S.V. Mackenzie & Co	Genesis Fitness Centre
Meat	Police	Samoa Laka Taxi Service
Fine Mat	Fire Brigade	Telecom
Hair Saloon	Customs Department	Fale Furniture
Apia Motor Repairs	National Insurance	Polynesian Airline
Accounting Firm	Dental clinic	Tropical Food Products
Vaitele Spring Water	CCK Salelologa	Safua Hotel
FMF Biscuit	Fresh Fish Export	Apia Concrete Products

ACTIVITY 3**Raw Material**

In your exercise book name the raw materials used in the production of these goods.

- Butter.
- Biscuit.
- Coconut Cream.

- e) Corn Beef.
- f) Sausages.
- g) Ice-cream.
- h) Salted Beef.
- i) Cheese.

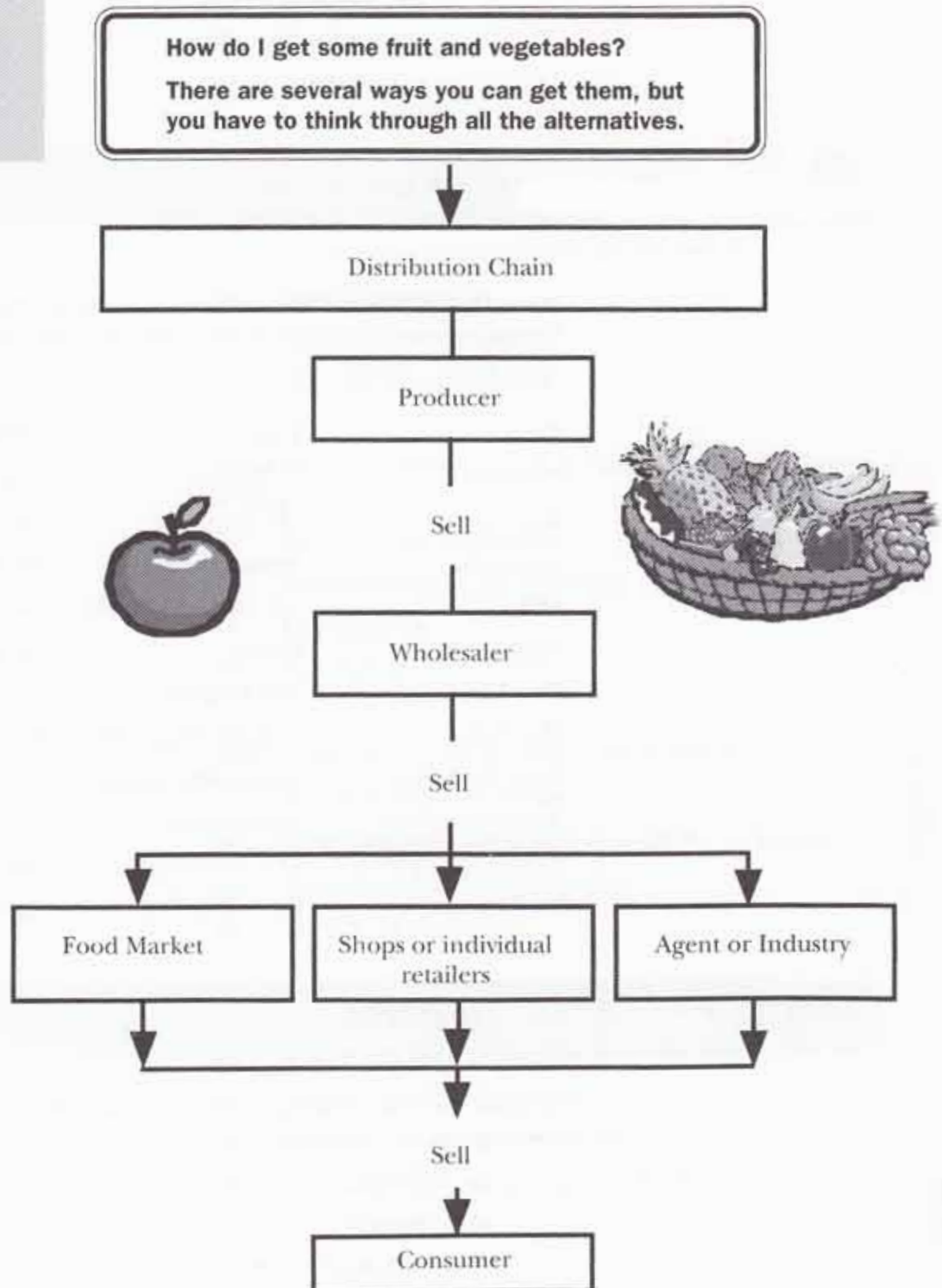
ACTIVITY 4

KEY WORDS:

- Farmer
- Supermarket
- Factories

Distribution Chain Work

Discuss the flow diagram with the help from the teacher.



Fruit and vegetables come to us in a number of ways as shown by the diagram. Now let us look at how you get tomatoes for your soup.

1. You can pick them from your yard or perhaps ask your neighbour for some.
2. You can buy them fresh from the shop.
3. You may look for them in the market.
4. You can go to a factory or retailer and buy them as a canned-food.

These are some of the ways that we could get what was produced by a producer. Sometimes the producer has to sell directly to local retailers (who run shops). They could also sell to a co-operative and will get their share of its profits.

ACTIVITY 5

How and Why Produce?

1. Study these photos and identify the type of producers in each one.
2. Discuss the goods or services produced and how they are produced.
3. List the resources the producer may use in production of those goods and services.
4. Identify three factors which would have helped the producer decide on the goods or services to be produced?
5. Which of these goods or services do you like the most. Why?



Falelalaga



Papalii Afele's cattle farm



*Western Union
Money Transfer*



Selling Crabs

ACTIVITY 6

Locally Produced

In your exercise book fill in the table provided with any 10 producers and their products found in your district area.

Producer	Type of Producer	Product (name)
1. Fisherman	Primary producer	Fish
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

ACTIVITY 7

Family Products

NB: To Teachers

- This activity can be used as an individual assignment or as class research.
- This form presented in here can be used but you can use your own form or design your own instructions.

Most people become a producer in order to earn money. Think of any product that you know you can produce for the rest of your community.

Follow these guidelines:

1. Name of the Product.

2. Purposes of producing it.

i. _____

ii. _____

iii. _____

3. Preparation of the product.

4. Who will buy the the product.

5. How much does it cost?

Summary

- A **Producer** is the person who produces goods and services.
- The **Economic Problem** means there are not enough resources to meet the needs and wants of people.
- There are three types of producers, they are **primary**, **secondary** and **tertiary producers**.
- **Producers** play different roles in the economy.
- An **Industry** is a group of producers who produce a similar product.
- One reason why people become **producers** is because some of the things they need and want are not available to them.
- **Primary producers** obtain, extract and collect raw materials or produce agricultural crops and animals.
- **Secondary producers** use raw materials to produce other things.
- **Tertiary producers** provide services.
- **Producers** contribute to and strengthen the economy of the country.

O a ea mea a nei
tagata o loo fai. Ou
te fia iloa ae lei tusia
lau lisi po ai le
producer ua sili



*Sa ou galue i se faatoaga
tele lava ma ou totoina
ai nisi o laau, manaoga
o lou nei loto ia aoga mo
ni aso a sau.*

*Ua le masino le tele o
oka ua faatoai mai, ae
ua tuai le gaioi. Fia
maua nisi e fesoasoani
mai aemaise nisi
laupapa.*



*Se vaai ane pe o tata le
fatu o le tama, ae pe o
manava foi. Tamoe e
vaai se foma'i ma sauni
ane se moega.*



Review



Answer questions 1 to 6 below and fill in the crossword puzzle with the correct words.

Part A

1. Explain the following terms:
 - a) Economics.
 - b) Economic Problem.
 - c) Producer.
 - d) Consumer.
 - e) Industry.
2. Write a paragraph explaining the role of the producer in the economy.
3. List three types of producers and give examples.
4. Explain how the Distribution chain works and draw a diagram.
5. Give any three reasons why people produce goods and services.
6. Write about 50 words telling how you could help improve your own standard of living whether at home or in school.

Clues:

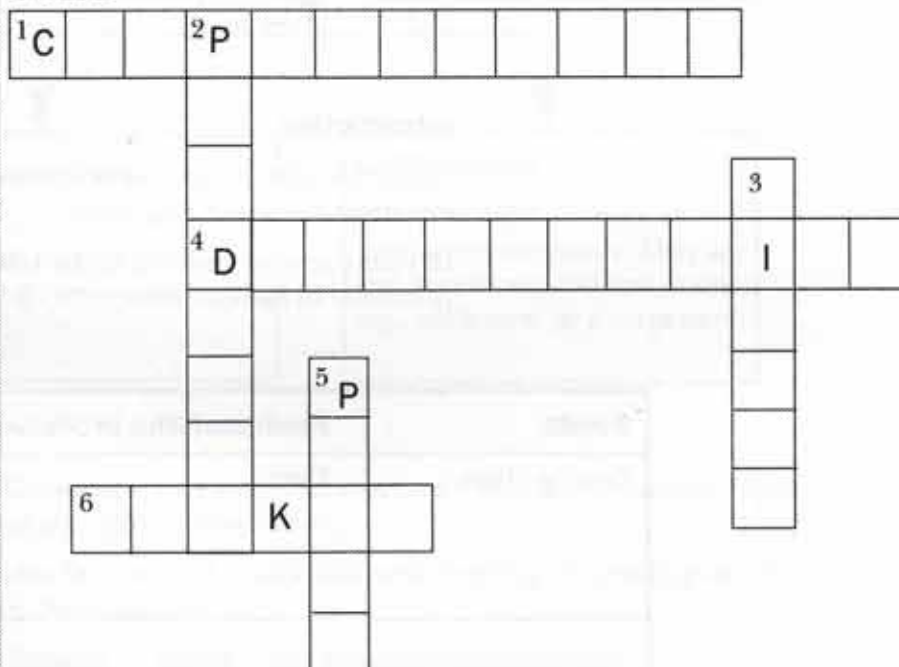
Across

1. Producers sell their products to this organisation and share in its profits.
4. The chain through which goods flow when moving from producer to consumer is known as the _____ chain.
6. Where goods are sold.

Down

2. The person who grows the product is known as a _____.
3. When a farmer sells through a shop on his farm it could be called _____ selling.
5. People who are paid according to the amount of work they do are called _____ rate workers.

Part B



Unit 2: GOODS AND SERVICES

AIM:

- Students will understand the concepts related to making economic choices.

Objectives

Students will investigate and develop their skills and understanding of different types of goods and services when they:

1. Define goods and services.
2. Define production and the role of producers in the economy.
3. Distinguish between renewable and non-renewable resources used in production with particular focus on village and national resources.

Introduction

Goods are real things that are produced (made, collected, grown) aimed at satisfying our needs and wants.

In your exercise book fill in the table below with other examples of goods produced in Samoa.

Goods	Producer(who produced)	Reasons (why Produced)
Banana chips.	Family.	Satisfy wants of consumers. Use excess bananas produced. Earn income for Producer.

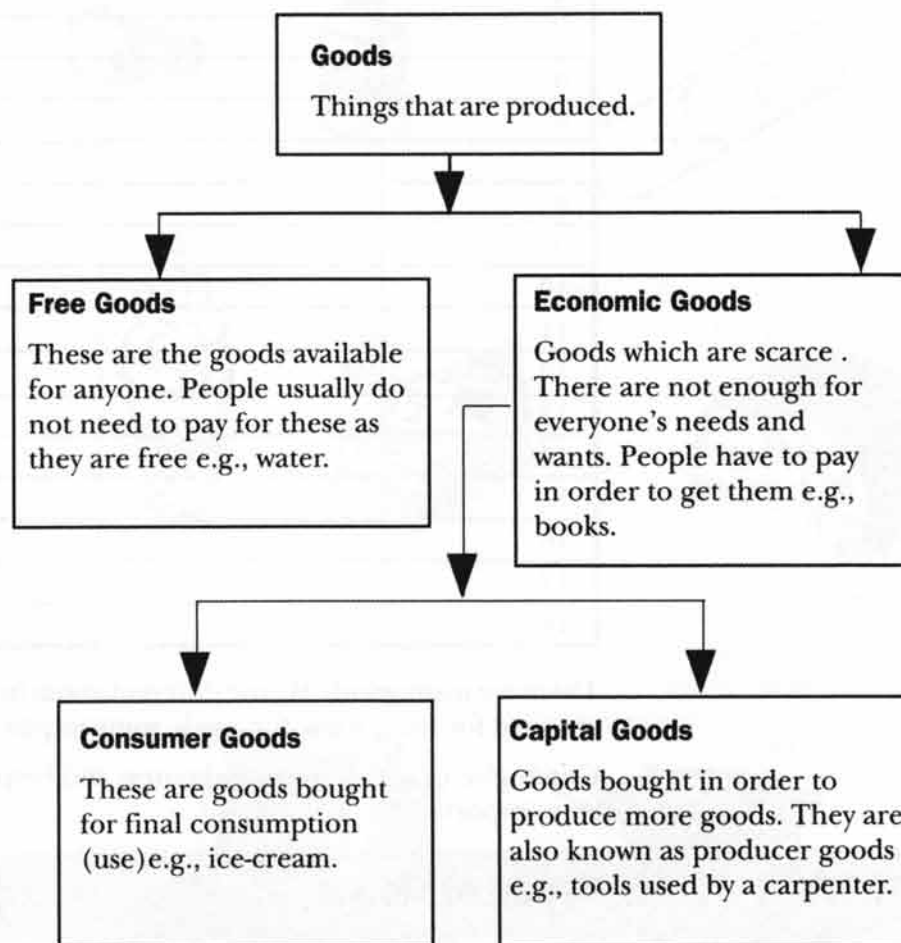
ACTIVITY 1

Goods

DISCUSSION
QUESTIONS

1. Study this diagram and then discuss with your group the follow up questions and prepare a report to present to the class as an explanation of the diagram.
2. List some examples for each type of goods identified by the diagram.
3. Explain your choices of such goods for each type.
4. State any differences between these goods.
5. Say which of these types of goods you would prefer.
6. Give reasons for your answers to No.5.

1. Write a list of some of the goods your family usually use.
2. Explain in one or two sentences what you and your classmates might be made for dinner tonight?
3. Give reasons to support your answers for question 2.



Economic Goods are very important because they are in scarce supply (limited) and also have money values.

Goods can also be classified under different headings depending on their nature, as in the following:

- **Renewable goods** - can be used more than once.
- **Non-renewable** - often don't last long, and maybe used only once.
- **Positive goods** - provide benefits to society.
- **Negative goods** - they cost and harm society.

ACTIVITY 2**Local and Imported Goods**

Name the goods pictured on page 18 in the first column below, and place a tick in the appropriate column about whether they are locally produced or imported goods.

Goods	Locally Produced	Imported
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		

There are many goods. We use different goods in different ways. Some goods are used for food, some for work, some to play with and so on.

Goods give us life, bring us happiness and help us in many ways. They are very important to us.

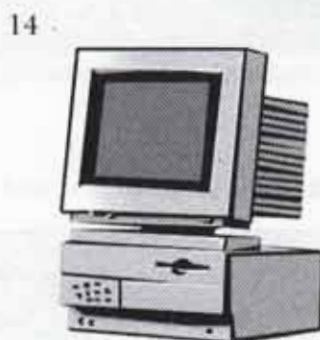
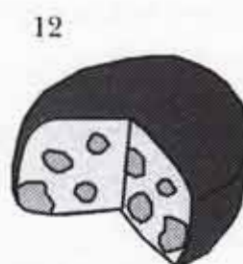
ACTIVITY 3**Types of Goods**

Draw the following table in your exercise books. Study pictures numbered 6, 10 and 15 and then fill in the table.

Goods (their names)	Producer (who made it)	Consumer (who use it)	Function (what is it used for)

It is your choice as a producer whether to produce capital goods or consumer goods.

Use these pictures to answer Activity 2, Activity 3 and Activity 4.



ACTIVITY 4

Capital Goods and Consumer Goods

A **Capital Good** is a good that is used to make other goods. e.g., a machine, or tools etc

A **Consumer Good** is a good used by consumers. e.g., food and clothes.

1. In your exercise book draw the table below and classify all the pictures on the previous page in the appropriate column.

Capital goods	Consumer goods

ACTIVITY 5

Case Study

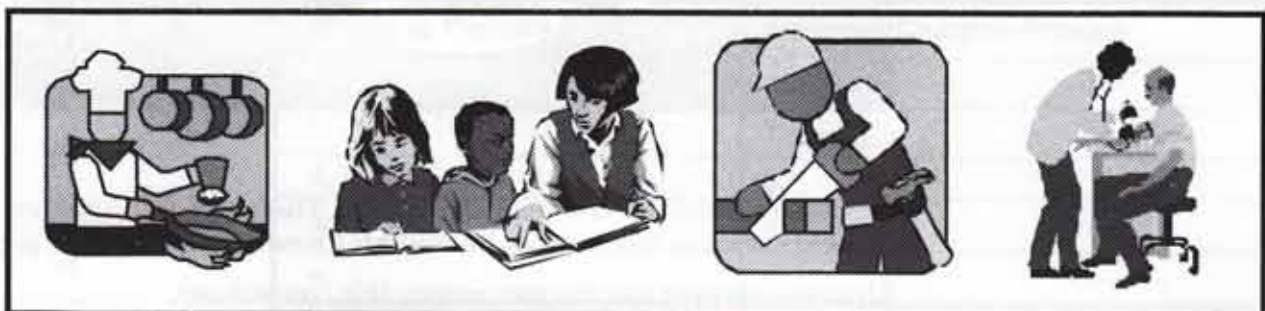
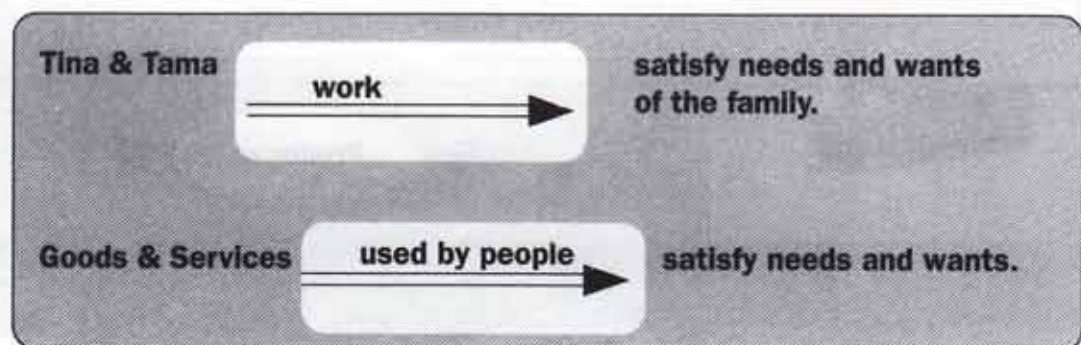
Read through this piece of text and then use it to complete the chart for Lui.

“ Simi needs food. Planting taro in the plantation is one of the things he can do. His 12 year old son Lui thinks it's a good idea to list down the goods his father needs to work with. ”

1. Copy the table over the page into your exercise book and cross out the goods you think are not needed. Write your reasons in the right column.

Goods Available	Goods Needed	Goods not Needed-Why?
Hoe		
Shovel		
Bush Knife		
Seed		
Spade		
Axe		
Horse		
Truck		
Planting Iron		
Spraying Machine		
Rake		

2. Discuss the diagram below within your group and prepare a report for presentation to the class.



ACTIVITY 6

Services

DISCUSSION QUESTIONS

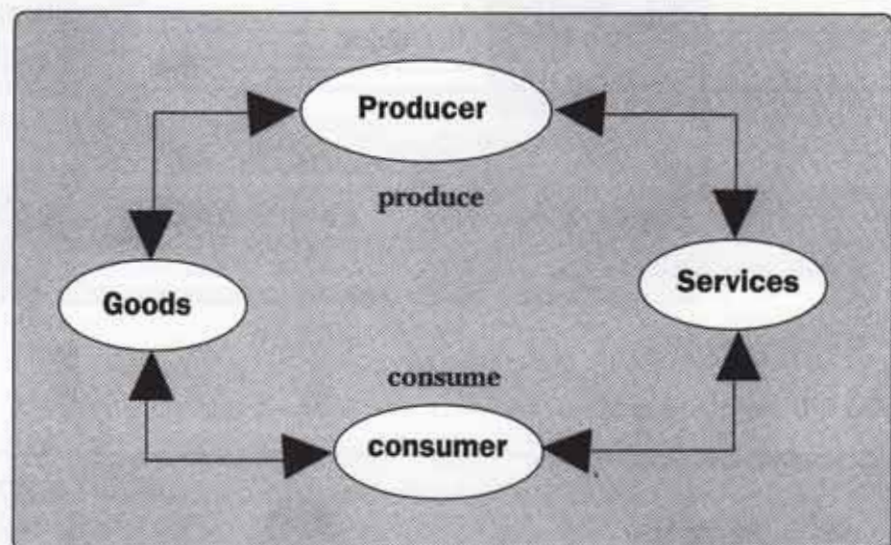
1. How did Sueni go to school?
2. What goods would he use during his day at school?
3. List the people who helped him?
4. Describe the sort of help given to Sueni?

Services refer to the actions taken by people working in the services sector that meet the demands of consumers.

Sueni went to school by bus. It stopped just in front of his school. He paid the bus driver before he got off. He waited for a while on the other side of the road, ready to cross the road to the school. Suddenly a policeman stopped all the cars and told Sueni to walk quickly to the other side. He thanked the policeman as he walked passed him.

Did You Know?

- The people who helped Sueni are **Producers**.
- The sort of help they gave are called **Services**.
- The things they have used are **Goods**.
- The bus is an example of a **Capital good**.



Services can also be classified like goods. There are free services and economic services. Free services are available for everyone (e.g., public parks). Economic services cost the user money (e.g., restaurant).

ACTIVITY 7

Types of Services

The table below lists some of the services you often use, follow the example given and fill in the rest of the columns.

Who Offers a Service?	What do they Provide?	Do I pay for this Service?
Teacher	Teaching Services	Yes. School Fees or Taxes.
Policeman		
Doctor		
Bus Driver		
Barber		
Prime Minister		
Road Worker		
Electrician		
Engineer		
Carpenter		

ACTIVITY 8

Family Service

In your exercise books list eight services your parents do for you each day and eight services you do for your parents.

Services Parents Provide	Services Children Provide
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.
6.	6.
7.	7.
8.	8.

ACTIVITY 9

Production

KEY WORDS:

- Economic Goods
- Free Goods

DISCUSSION QUESTIONS

1. Explain in two or three sentences the different parts in the process shown to the right.

1. In your exercise books categorise the following as “economic” or “free” goods.

Sunshine, car tyres, seawater, rain, canteen, lunch, water, fresh air, table and chairs, television set.

Economic Goods	Free Goods



taro palagi



Packing



Cooking the taro chips



Selling

1. Draw a very simple diagram of your own on how to produce one of the following. Select only one.
 - Fine mats.
 - Fala lalii.
 - Canoe.
 - Bouquet.
 - Furniture.
 - Samoan rings, earings and necklaces

ACTIVITY 10

DISCUSSION
QUESTIONS

1. What goods did Tony and his son produce?
2. Where did Tony sell his goods?
3. What type of expenses would Tony pay in order to produce his goods?
4. How would Tony know what price to sell his goods at?
5. Would he sell his goods at the same price every week? Give reasons for your answer.
6. Tony is a producer but he is also a consumer. What does this statement mean?
7. Why did Tony decide to plant taamu and bananas instead of taro or something else?

Case Study



Tony is a hard working man. He plants taamu and grows bananas in his plantation to provide food for his family. He sells the excess produce. His 20 year old son helps him in the plantation. They take their produce to the market every Saturday morning, and this provides the family with enough money to pay for household expenses with a little money left over. Tony and his son manage to keep the plantation producing all year long and they are able to save about \$3000 per annum.

ACTIVITY 11

Related Terms

Write down the word or words that are related with the term production.

- | | | | |
|--------------|--------------|--------------|------------|
| • make | • provide | • compare | • build |
| • create | • plantation | • facilitate | • select |
| • allocate | • prepare | • sell | • classify |
| • distribute | • establish | • buy | • combine |

Production is the making and selling of goods and services to satisfy people's needs and wants.

Producers are the people who produce or make or sell goods and provide services.

ACTIVITY 12

KEY WORDS

- Skills
- Natural resources
- Human resources
- Capital resources

Resources

People in all societies work to produce things to satisfy needs and wants. A resource is anything that is needed to produce for these needs and wants. These are the things like land, trees, the sea, tools and skills. (A skill is the ability to do a job.)

Resources can be classified under these headings:

- Natural Resources
- Human resources.
- Capital resources.

Natural Resources.

These are resources provided by nature. We call them natural resources or raw materials. They include not only land for agricultural purposes but also the mineral resources of the earth (e.g., salt), the products of the fields (e.g., taro, yams) animals, forests and oceans.

1. Write down all the natural resources you see in this picture in your exercise books.

**Human Resources**

These are known as economic human beings. They work in order to satisfy needs and wants. This is known as labour. When people work they use their:

- Knowledge.
- Skills.

Examples of labour are:

- Driving a taxi.
- Planting taro.



Planting taro



Driving a taxi

ACTIVITY 13

Skill & Knowledge

KEY WORDS

- Capital resources.
- Man-made resources.
- Artificial resources.

Look at the pictures below and write in your exercise books whether or not the labour shown is mainly one of knowledge or skill.



School Principal



Police Officer



Teachers



Gardener



Builders



Manager



Cleaner

ACTIVITY 14**Capital Resources****Capital Resources**

These are the things that are used in the manufacture of other things. For example, factories and machines, tractors and computers are all called capital resources and are used to make other goods.

1. Draw the diagram below in your exercise books. Write down and clarify in the Manufactured or Capital resources column the resources used by those people (three or more examples).

Occupation	Manufactured/Capital Resources Used
1. Teacher	
2. Fisherman	
3. Store Owner	
4. Planter	
5. Nurse	
6. Engineer	
7. Carpenter	
8. Typist	Typewriter
9. Rugby Player	
10. Band Master	

**ACTIVITY 15****Renewable Resources****Renewable and Non Renewable Resources**

Renewable resources are resources which can be regrown (like plants) replaced (like fish). Natural resources like forests are renewable. These resources can be consumed and replaced again.

1. List at least 10 renewable resources that you can think of in your exercise book.

ACTIVITY 16

Non-Renewable Resources

KEY WORDS

- Recycling.

Non-renewable resources are the ones which once used they are gone forever e.g., natural gases, oil, or minerals.



*Petrol Station -
Petrol: A non
renewable
resource.*

1. In your exercise book list 10 non-renewable resources you know.

ACTIVITY 17

Village Resources

1. Explain in your own words how this resource helps the village.



Fish Pond in the big island of Savaii. This is one of the village developments which are assisted by the Fisheries Department.

ACTIVITY 18

National Resources

1. Look at these photographs of national resources and discuss why the government decided to establish them.
2. List any renewable and non-renewable resources that were involved.

*Apia Park**Tupua Tamasese
Meaole Hospital**National Park**Development Bank of
Samoa*

Summary

- Goods are real things that are produced in order to satisfy needs and wants.
- Services are the tasks or functions performed for people to help satisfy needs and wants.
- Economic goods are things which people want that are scarce. These goods can also be grouped in consumer goods or capital goods.
- Consumer goods and services are those things or benefits which are used by consumers.
- Capital goods are those things used to produce other goods or services.
- Goods and services are produced from resources.
- Resources are known as:
 1. Natural Resources.
 2. Man-made Resources.
 3. Capital Resources.
 4. Human Resources.
- These resources can be classified into two categories:
 1. Renewable.
 2. Non-renewable.
- Production is the process used by producers to make goods and services.



Review

Answer these questions in your exercise books:

1. Which types of goods do we have to pay for?
2. What are the two types of Economic Goods?
3. List any two examples of Producer Goods.
4. Why are goods so important to us?
5. If you were to produce goods which sort would you prefer - capital or consumer goods? Why?
6. What sort of service or services did you use during this week? Describe a situation where you used a service this week.
7. Did you pay for those services? Why?
8. Cooking food in the oven on Sunday is known as production. Is this true or false?
9. Anyone can produce anything as long as they have:
(a) goods (b) production (c) services (d) resources
Which one of the above is correct?
10. Natural Resources can be renewable or non-renewable resources. Give two examples to prove this statement.

Unit 3: FACTORS OF PRODUCTION

Note for students and teachers.

- Refer to Unit 1 for the role of producer in production.
- Refer to Unit 2 for Goods and Services produced from the process of production.

AIM:

- The students will understand the concepts related to making economic choices.

Objectives

Students will investigate and develop their skills and understanding of factors of production when they:

1. Recognise the four factors of production and use them to describe the features of factors of production in Samoa and other more developed countries.
2. Recognise that a combination of factors of production is required to produce goods and services.

Introduction

Production is the making and selling of goods and services in order to satisfy our needs and wants. This process is carried out by producers. Resources are sometimes called the **factors of production**. Factors of production are the resources used in production.

There are four Factors of Production (Resources).

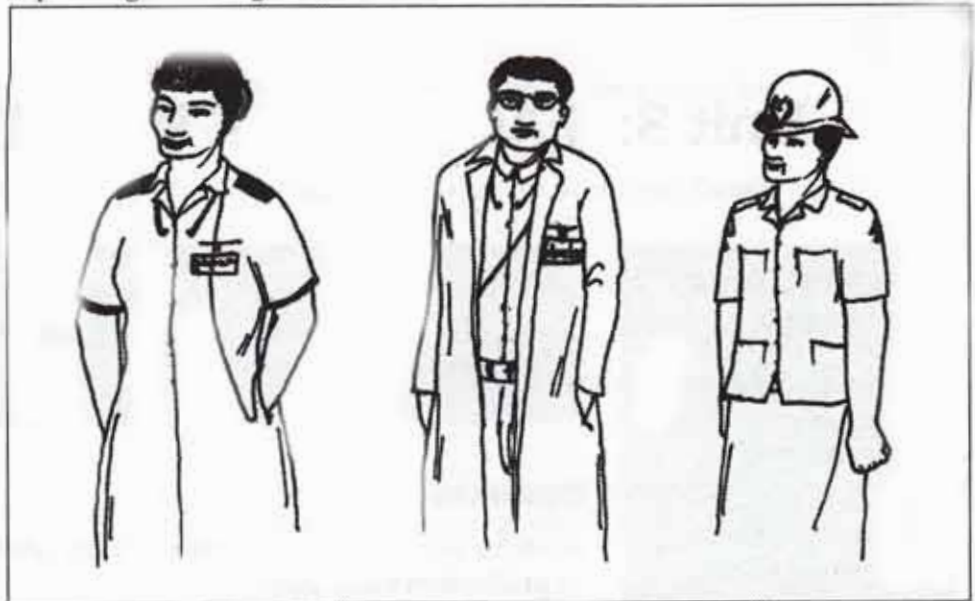
1. Land:

These are the natural resources or all the gifts of nature. Examples include: forests, rivers, seas and fish in them, fields, and minerals.



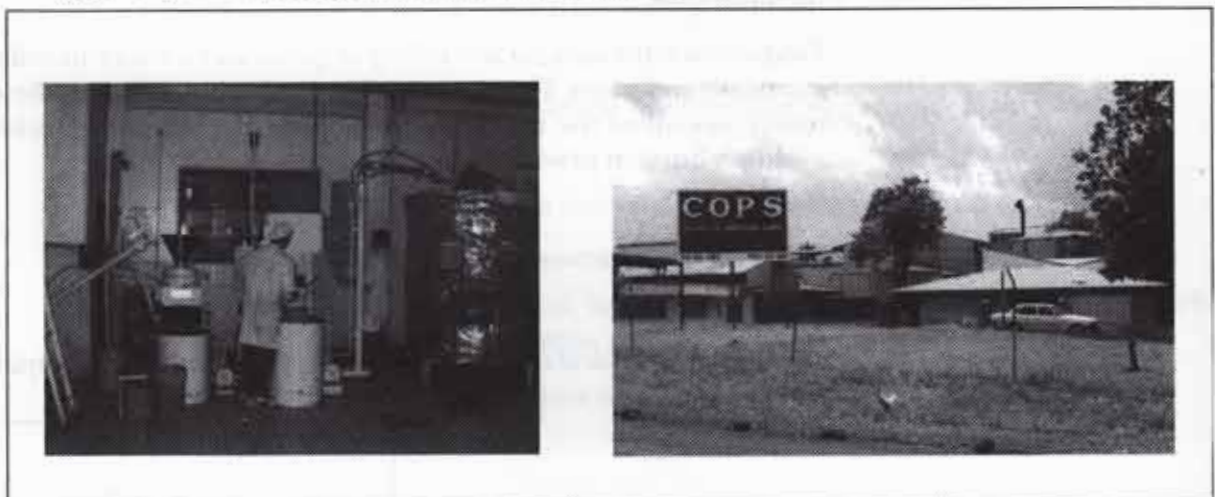
2. Labour:

This is human work that is carried out by people. People apply their knowledge and skills to do their work e.g., carpentry, engineering, nursing, policing, teaching and others.

**3. Capital:**

These are things that are used to make other things, e.g., factories, machines, tractors, sewing machines, hammers etc.

A large factory and a factory's machines and equipment.

**4. Entrepreneurship:**

Entrepreneurship is the organisation of land, labour and capital in order to make goods or services for sale at a profit. An example of an entrepreneur is someone in business who buys land, builds a factory and hires worker to make goods or provide services.

ACTIVITY 1

Case Study

Pitolua, a nurse, purchased an acre of land in Alafia. Her son, Pitone, was unemployed and so Pitolua sent him to work on this land and to plant taro. After five years, Pitone's plantation was very successful. He purchased a pickup truck which was used to go onto the land, carrying his equipment and, then, to transport the taro to the market. Pitolua saw that at the end of each week, taro was often left over which was distributed freely to her family. She decided that this taro would be better used if she had it processed into taro chips. She set this process up using other members of her family.

Fill in the spaces with the correct word or words from the passage.

Examples of:

- Land -
- Capital -
- Labour -
- Entrepreneurship -

ACTIVITY 2

Compare and Contrast

Features of factors of production in:

Samoa**Labour:**

Some skills, healthy population.

Capital

Shortage of capital.

Land

Suited to agriculture

Large fisheries

Few minerals

Entrepreneurship

Few business entrepreneurs.

New Zealand**Labour:**

Highly skilled and highly educated.

Capital

New Zealand has excellent capital resources.

Capital resources are generally modern.

Land

Suited to agricultural production

Large fisheries resources

Many minerals.

Entrepreneurship

New Zealand has strong entrepreneurship.

Answer **True or False**:

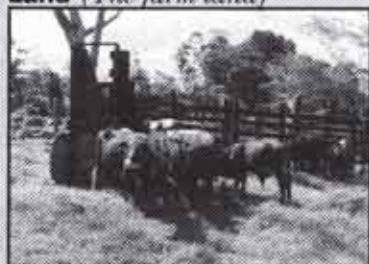
1. New Zealand has a shortage of capital.
2. Our land is suitable for rugby only.
3. Samoa has a higher skilled and better educated population than New Zealand.
4. Many more women are now in the work force in New Zealand than in earlier decades.
5. New Zealand and Samoa have different resources available to them.

Combining Factors of Production

LAND	+	LABOUR	+	CAPITAL	+	ENTREPRENEURSHIP
------	---	--------	---	---------	---	------------------

How factors of production provide a "product". Example: A Farm.

Land (*The farm land*)



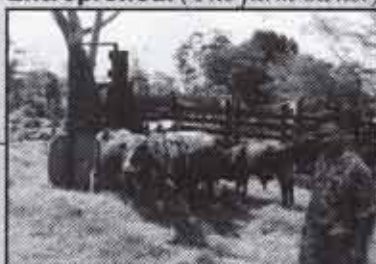
Labour (*Farm workers*)



Capital (*truck, utensils, plant*)



Entrepreneur (*The farm owner*)

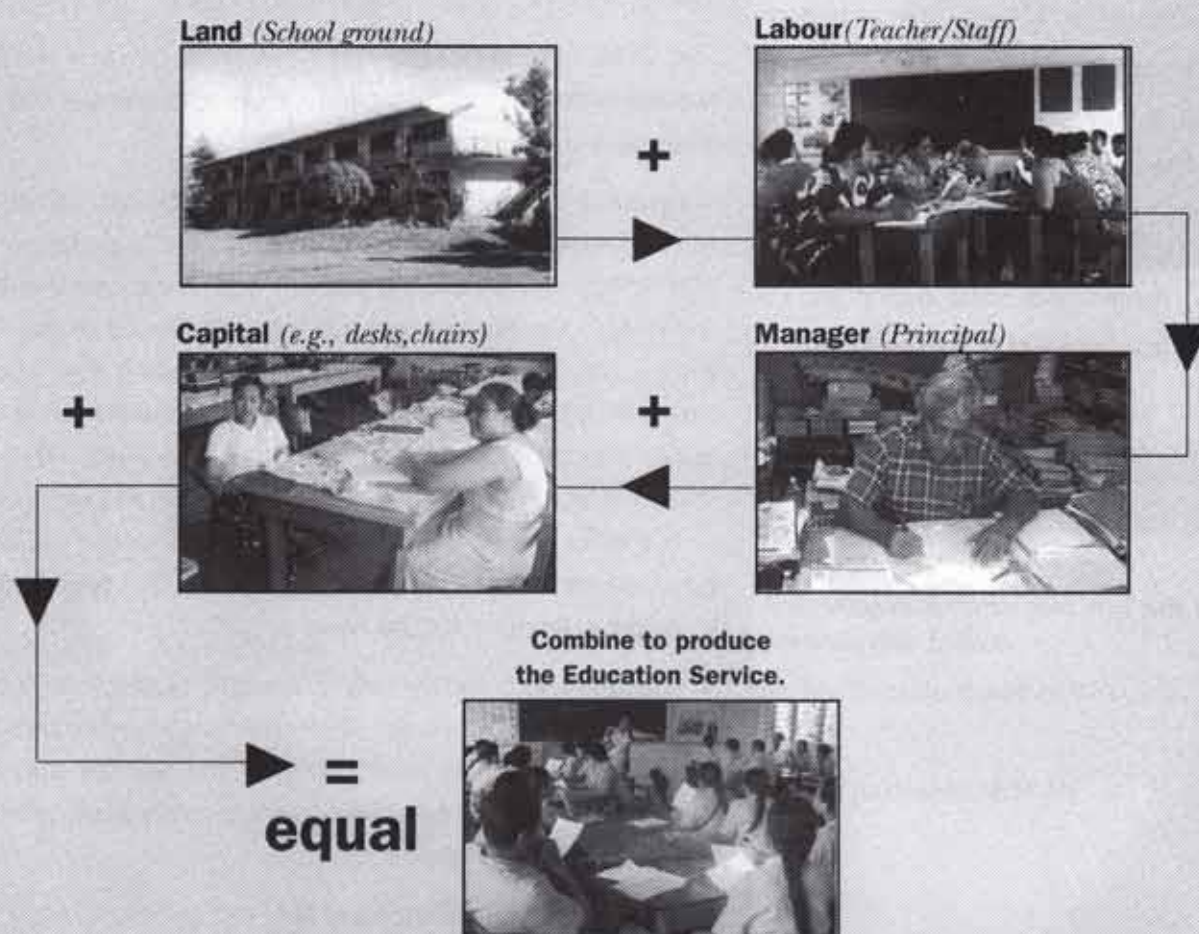


Combine to produce,
Produce e.g., meat

=
equal



How factors of production provide a "service". Example: A School.



ACTIVITY 3

Factors of Production

1. Draw a diagram similar to the examples given above to show the factors of production used in producing any good or service you are familiar with.

ACTIVITY 4

Case Study

WORDS TO STUDY:

- Uncultivated
- Demand
- Calves
- Fencing
- Agreeable
- Distributed
- Commotion

A Family Project

Chief Tui called his family together one evening and said to them,

"There are so many grown men and women in our family. We have plenty of uncultivated land I want to put into good use. Because there is always a demand for meat and fresh milk, I am thinking that we should raise cattle for both meat and milk."

WORDS TO STUDY

- Marvel
- Household
- Allotted
- Herd of cattle
- Bull

The women can milk the cows and sell the milk while the men see to the fencing and look after the cattle."

Everyone was agreeable and were excited when the chief finished with his talk. They were looking forward to the time when this should begin.

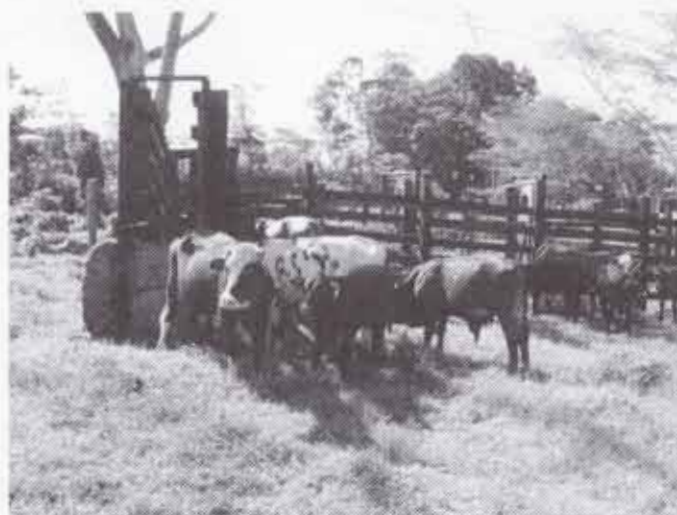
A week later a truck arrived with twenty rolls of barbed wire and a four gallon drum full of staples. Right away the men started fencing. Tui's family project became a known throughout the village. The fences were up. Tui was pleased and the men were proud of their work. Exactly one week after that, another truck arrived. Eight cows and one bull. Imagine the commotion not only among Tui's family but in the whole village. It did not take long for everyone to find out and to gather to witness and to marvel at the now very shy beasts. Tui was busy directing his relatives to lead the animals to the yard they had prepared to hold the animals for the night.

A year later Tui's family farm had eight calves. The women had learnt to milk the cows. Every morning, milk bottles were distributed to families that needed and wanted milk. The women made much money because the people preferred fresh milk than canned or powdered milk.

Six years' later Tui's family had over eighty head of cattle and the men and women were all busy working at their allocated tasks.

Tui said to his men,

"Next year, we shall start killing the steers, selling the meat to the butcher shops in town and we shall have more money to spend on things that we need and want."

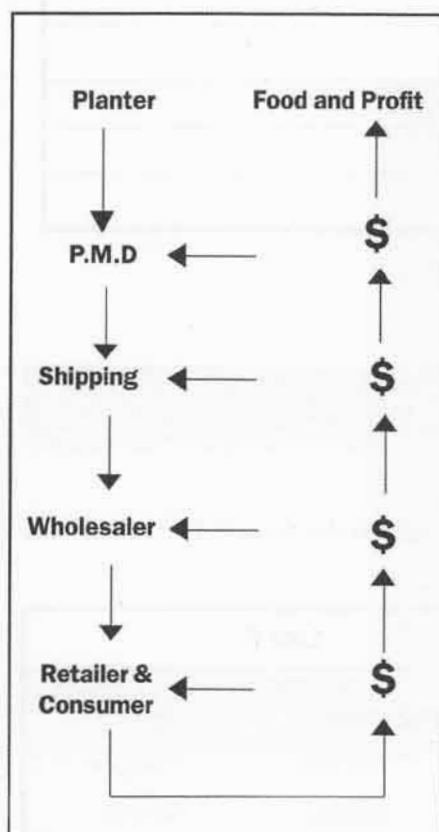


Tui's cattle farm

1. List all the resources you can see in the picture on the previous page.
2. List all forms of production that were connected with Tui's family project under the appropriate columns.
 - i. Primary production.
 - ii. Secondary production.
 - iii. Tertiary production.
3. In what way would owning a herd of cattle be a source of wealth?
4. What advantages did Tui's family have from this project?
5. Has Tui's business grown into a business as large as it can be or could his business still grow larger? Explain.

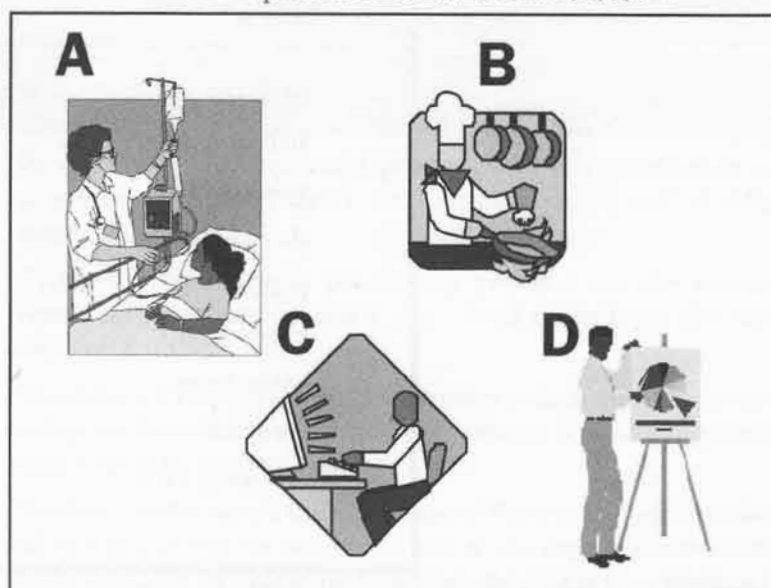
ACTIVITY 5

Production Process



Your teacher will go over the following chart with you and will then direct you on answering the questions that follow:

1. State how each party has benefited and in what way.
 1. Planter.
 2. Prime Ministers Department. (P.M.D)
 3. Ship Company.
 4. Wholesaler.
 5. Retailer.
 6. Consumer.
2. Would the costs of taro from the planter to P.M.D. be the same as from the retailer to the consumer?
3. Give your reasons.
4. Guess what is produced below under A,B,C,D.



ACTIVITY 6**Primary Products**

1. Copy the following chart in your exercise books and fill in the primary products that are used to make the goods listed.

Goods	Primary Production
1. Plastic	
2. Butter	Milk
3. Cloth	
4. Bacon	
5. Shoes	
6. Beef Steak	
7. Spaghetti	
8. Chocolate	
9. Custard	
10. Newspaper	

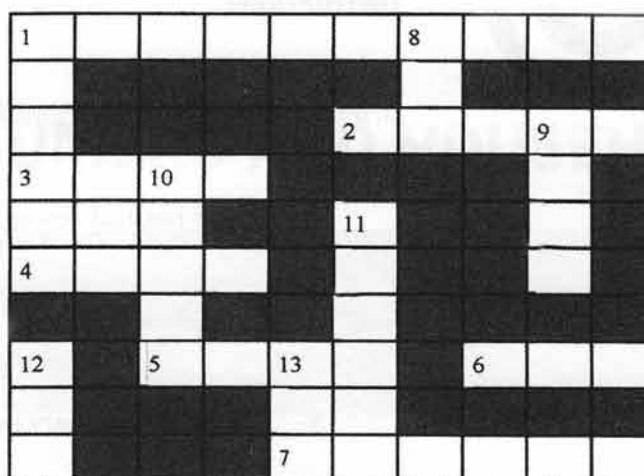
ACTIVITY 7**Matching**

1. Study the two lists given then match the farm in List A with one or more products in list B.

List A	List B
orchard	yams eggs
market garden	mutton oranges
poultry farm	bacon cheese
dairy farm	beef steak leather
piggery	coconut pork
sheep farm	wine grapes
cattle farm	apples tomatoes
vineyard	milk bananas
cropping farm	chicken cabbage
	tobacco

EXTRA ACTIVITY

Crossword Puzzle



Across

1. It can be Primary, Secondary or Tertiary.
2. A Capital good for cutting grass.
3. A resource from the sea.
4. Another word for work.
5. An important natural resource.
6. A great source of protein.
7. A red, round vegetable.

Down

1. The money earned by business.
8. The number of dollars profit if taro cost me \$20 and I sold them for \$30.
9. Something everybody needs.
10. A resource which you cannot touch.
11. Things are produced because peoplethem.
12. A female pig.
13. The oil is taken and used from this resource.

Summary

1. Production is an important process. Without production we would not be able to satisfy our four basic needs and all other needs and wants.
2. Primary production is producing goods from the natural resources from land and sea (e.g., food crops from the land and fish from the sea).
3. Secondary Production means turning primary products into other products such as turning the tobacco leaf into cigarettes and trees into timber.
4. Tertiary Production is the final stage of Production and it makes all the goods that we need for survival and enjoyment available to us (e.g., the shipping, distributing and finally the retailing of goods.).



Review

Instructions

Briefly answer these questions based on your understanding of production:

1. The natural resources used to produce taro are?
2. Trucking taro to the market is what part of production?
3. Turning primary products into other products is called?
4. What is a natural resource from the forest?
5. Secondary production turns limestone and sand into what?
6. Turning tobacco leaf into cigarettes is what part of production?
7. Poultry farms give us eggs. What part of production is this?
8. Distribution of the secondary products to where they are needed or wanted is called?
9. Tertiary production is the final stage in production and we need it for?
10. Producing the natural resources or raw materials from land and from sea is what type of production?
11. What is meant by the term "production"?
12. What is the difference between primary and secondary production?
13. Which is the simplest of the three forms of production and why?
14. Why do we produce goods?
15. What would happen if production stops?

Unit 4: CONSUMERS AND HOUSEHOLDS

AIM:

- From their study of Consumers' Decisions students will understand the concepts related to making economic choices.

Objectives

Students will investigate and develop their skills and understanding of how consumers and households make economic decisions when they:

1. Define the terms Consumers and Households.
2. Describe the Economic Problem.
3. Explain the concepts of Scarcity and Choice.
4. Investigate and describe factors which influence how individuals prioritise decisions (include values and attitudes.)

As a consumer in our society, we face an Economic Problem: "not enough resources available to satisfy all our needs and wants".

Introduction

You are to complete the exercise given below by writing down in your exercise book what you need before you travel, and also write down what you want to take for your family in New Zealand.

What You Need Before You Travel to New Zealand	What You Want to Take to Your Family in New Zealand
1.	
2.	
3.	
4.	

ACTIVITY 1

Needs and Wants

Note:

1. Needs are things people must have to survive.
2. Wants are things we would like to have, but are not essential for us to survive.

Provide answers to these questions. Use the table provided for question 4.

1. Write down a list of 10 things you would like to have the most.
2. Compare this list with your neighbour's. Is it similar or different?
3. After comparing lists with your neighbour, are there any items you would like to add to your list?
4. From the list made in Question 1, put each item into one of the columns in the table below e.g., is it a Need or a Want? State why?

Needs	Wants	Reasons/why?
Pair of jeans		Clothes. We need clothes for warmth and comfort.
	Walkman	It doesn't matter if we don't have one as we can listen to the radio or watch TV.

ACTIVITY 2

Students' Needs and Wants

Needs

Needs are things we must have as an individual or in a group. Here are some examples:

- We need food, water, clothes and shelter to survive.
- A teacher needs a chalk, a duster and a blackboard to do his/her work.
- A rugby team needs a sports uniform.
- A congregation needs a pastor.
- A village shop needs goods and customers.

Wants

Wants are things we wish to have, or we would like to have. However we could also live and work without them. Here are some examples:

- A teacher wants to have a car.
- A student wishes to have a pair of Nike shoes.

- A Principal wants to have a motorboat.
 - In our families we want a TV, a video and a stereo.
1. Complete the table presented here, in your exercise book by giving a list of ten things you need and also ten things you want as a student.

Your Needs	Your Wants
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.
6.	6.
7.	7.
8.	8.
9.	9.
10.	10.

ACTIVITY 3**Individual needs and wants**

1. Copy and complete the table below in your exercise books. An example is done for you.

Individuals	Needs	Wants
Student	Uniforms, pens, school bag, fees	bicycle

Consumers and households use goods and services to fulfill their needs and wants.

Households are also consumers. A household is a family group which, as such, has various needs and wants. The members of the group are known as consumers.

Consumer

Consumers are people who use/consume goods and services. Household members are known as consumers, as are members of groups like youth, matai, students and teachers.

Household

A household is a group of individuals living together in a house, (e.g., family). It can also be a group of individuals living together and making joint decisions.

ACTIVITY 4

Family household

In your exercise books list some household members in your family using the work sheet below.

Work Sheet

1 _____ 2 _____
3 _____ 4 _____
Members of my family form a _____.

ACTIVITY 5

Consumer Goods

KEY WORDS

- Essential
- Non-essential
- Scarce
- Satisfy
- Economic.

You are to identify the most suitable consumers for the list of goods given in the table.

Goods	The Most Suitable Consumer
1. Mathematic Text Book	1.
2. Oxford Cornbeef	2.
3. Computer	3.
4. Ballpoint pen	4.
5. Dinner Table	5.
6. Sports Equipment	6.
7. Spade	7.

Economic Problem

There are never enough resources available to satisfy all our needs (essential) and wants (non-essential). This means our needs and wants are unlimited but our resources to meet them are scarce.

ACTIVITY 6

Your Choice

Economics

This is the study of how we use our limited resources to satisfy our unlimited wants. It investigates the basic choices or decisions that must be made.

Below are some examples of **choices**:

You may decide to walk home after school instead of taking the bus.



You may decide to watch TV rather than play rugby.



You may buy an apple rather than buying a soft drink.



You may decide to play netball but not volleyball.



In the exercise below rank in order of choice (or preference) how members of your family might use \$10.00 given to them.

1. Hire a video.
2. Watch Manu Samoa at Apia park.
3. Buy a "Big Mac" from McDonalds.
4. Buy a birthday present for a friend.
5. Save the money in a bank.
6. Buy a new lavalava.

Order of choices	Members of family
_____	Brother
_____	Father
_____	Cousin
_____	Sister
_____	Friend
_____	Mother

2. Explain in a sentence your most favourite choice.

As a consumer in our society, we face an Economic Problem: "not enough resources available to satisfy all our **needs** and **wants**."

ACTIVITY 7

Prioritise Decisions

In your exercise books answer the following questions:

1. Suppose you received a \$20 tala for a birthday gift, what would you do with it? Rank in order of importance from the most to the least important choice.

Table 1 Use table 1, below.

Choices	Order of Importance
• Buy a rugby ball.	_____
• Watch a movie with friends.	_____
• Purchase a Manu Samoa Jersey.	_____
• Eat a Big Mac burger at McDonalds.	_____

2. Suppose you have two hours of free time after school. Give five things you could decide to do. Use table 2 below.

Table 2

Choices	Order of Priorities

Scarcity

If more goods are needed (demanded) than we can get, then goods are said to be scarce (higher prices will impact on decisions to buy goods).

"Scarcity" is the limited supply of a good that people want and are prepared to pay for.

ACTIVITY 8**Scarcity****DISCUSSION****QUESTIONS**

1. Uale caught 7 fish last night. Is this enough for his family? Explain.
2. You have successfully completed Year 8 National Examination. Your grandmother gives you a gift of \$30. What would you buy with this?

An Economic System

This is the way people organise themselves to solve the economic problem of **scarcity**.

Scarcity

Scarcity is the shortage of goods or a limited supply of resources available to satisfy our unlimited needs and wants.

Certain crops can be easily grown in Samoa because of its weather. Mangoes, passion fruit, breadfruit, bananas, and coconuts are good examples of local resources. There are certain other crops such as rice, wheat, potatoes, apples and grapes which cannot be grown in Samoa due to the weather and soil.

Every country has problems of scarcity. All goods and services cannot be produced in all places. Some goods are more scarce in some places than in others. Some goods may be available in Upolu but may be scarce in Savaii, Manono or Apolima.

Remember, goods are scarce because the supply is low compared to people's demand for them.

It is very important to know what our needs and wants are. It is these that decide what we should grow, what we should produce and what we will demand. If people need bread in Apia it means there will be a demand for it and bakeries should start producing it. If many tourists come to Samoa there will be a demand for hotels where they can stay, and for cars and buses in which they can travel.

1. Study the table given below and write your answers into your exercise book.

Ten Things available in Samoa for Tourists	Ten Things which are scarce at times in Samoa for Tourists

ACTIVITY 9

Demand

Demand

Demand is determined by the number of goods and services we consume or purchase. Briefly answer the questions below:

1. Siamu village has a population of 320 households. Villagers want television sets. One hundred households already have televisions. Explain why there would be a demand for television sets in Siamu Village.
2. There are (number) students in this school. Each of them need a calculator. What is the demand for calculators?
3. There are 300 pumpkins available in the market. What is the current supply of pumpkins?
4. If your school provides three meals a day to each of its 350 students. What is the daily supply of meals?
5. Samuelu brought to Fugalei Market 400 pineapples for sale on Friday. There was a heavy rain and $\frac{1}{4}$ of these went bad. What was the supply of pineapples to consumers.



DISCUSSION QUESTIONS

1. What was the child's need?
2. Why did the child need it?
3. Did she get what she needed? Why?
4. What decision did the mother make?
5. Was it a good decision? Why?



Summary

- Scarcity is when there is a shortage of goods. This is related to our needs and wants(demand) and availability(supply). The supply of most resources is limited.
- Certain natural resources such as air, water and soil may not be scarce.
- Because some natural resources are scarce and we need them or want them, we have to pay a price for their supply.
- Individual needs and wants are different according to the age and interests of the person himself.
- A consumer is a user of a product.
- A household is a group of people living together in a house.
- Prioritising needs and wants requires consumers, households and individuals to make choices.
- Attitudes and values also affect our choices and decisions.

Review



1. Explain the following terms and give examples:
 1. Consumer.
 2. Household.
 3. Economic problem.
 4. Choice.
 5. Scarcity.
2. List at least four factors which could influence your decisions about what to buy.
3. What are some Samoan beliefs which could affect your decisions?
4. You are lucky to get a scholarship to attend a college in New Zealand. Your father is very sick but he wants you to go. What choice would you make? Why?
5. If more people need taro than is available, what will happen to the price of taro and what will be the consumers' reaction.

Unit 5: CONSUMER AS PRODUCER

AIM:

- From the study of Consumer's decisions students will understand, the concepts related to making economic choices.

Objective

The students will investigate and develop their skills and understanding of Consumers as producers when they:

1. Recognise that consumers can also be producers.
2. Describe the relationship between consumers and producers using a circular flow diagram.

Introduction

Most of us eat a slice of bread at least once a day.

1. Do you know where the shops get the bread they sell?
2. Why do the shopkeepers keep bread as a main part of their stock of goods?
3. If no bread is available to buy, what would you eat instead?
4. Do you think we can live happily without goods produced by other people?
5. Why do people produce goods and services?
6. We pay prices for what we buy from the producers.
7. The prices we pay consist of the cost of producing the bread, the cost of marketing the bread and the profit taken by the shopkeeper.

Reminder:

- Economics is all about decision making.
- The major economic problem is scarcity of resources.
- Factors of production are combined to make goods and services.
- Producers are a person or firm who make goods and services.
- A Consumer is a person who buys and uses finished goods and

services to satisfy their needs and wants.

- Consumers use income to buy goods and services.
- Every time we eat in a restaurant we have to pay.
- Every time we go to a shop we need to pay for what we take.
- Every time we go to the hospital we pay for the service we get.

Illustration 1

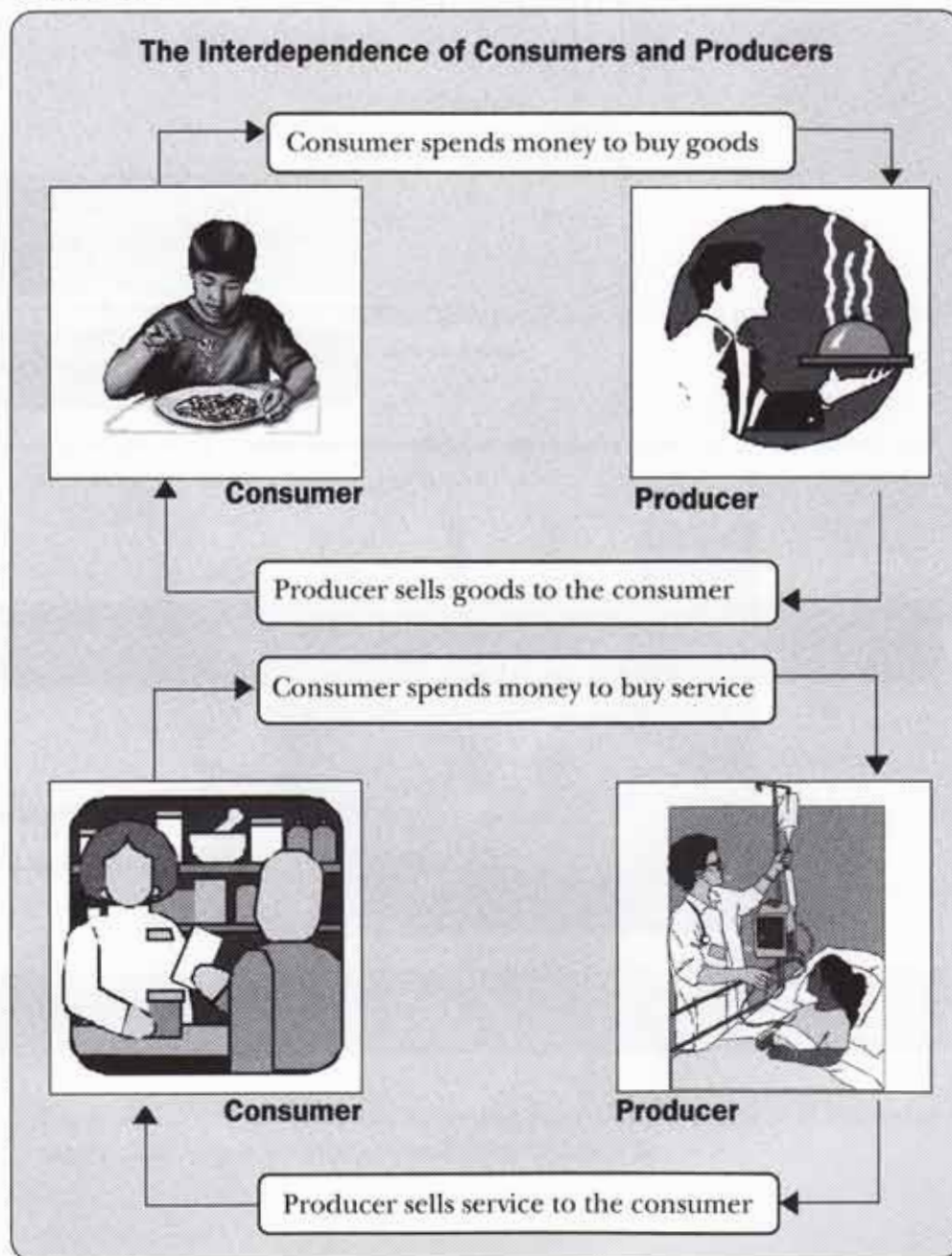
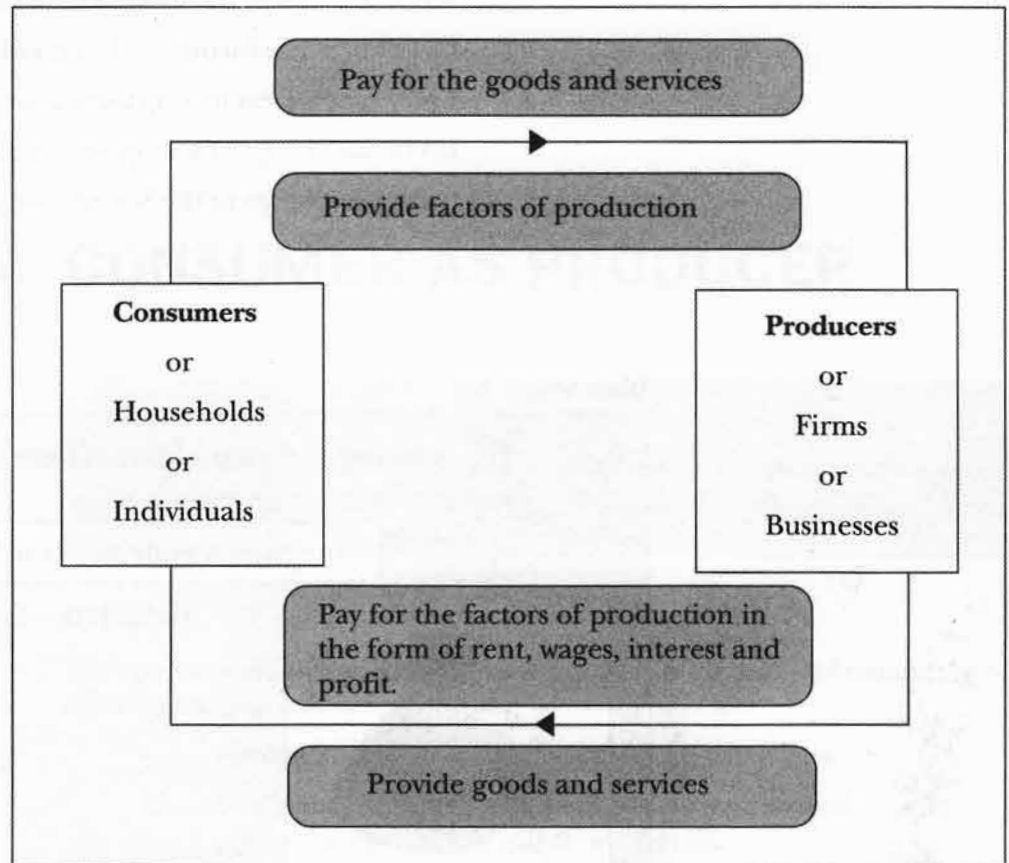


Illustration 2

**ACTIVITY 1****Interpretation**

Answer the following questions:

1. How is Illustration One different from Illustration Two?
2. What rewards do consumers gain for providing factors of production to producers?

Consumers and Producers are interdependent

1. Without consumers, producers would not be able to get hold of the factors of production, e.g., Labour, for their factories.
2. Without producers, consumers would not have anyone to provide goods and services to meet their needs and wants.
3. Consumers (households) and producers (firms) need each other. They are interdependent — they depend on each other.
4. The owners of the factors of production depend on Producers for their incomes e.g.,

• Land	-	Rent
• Labour	-	Wages
• Capital	-	Interest
• Management	-	Profit
5. Rent, wages, interest and profit are known as income from the use of factors of production.

A producer is a consumer too, when it spends its income to buy goods and services.



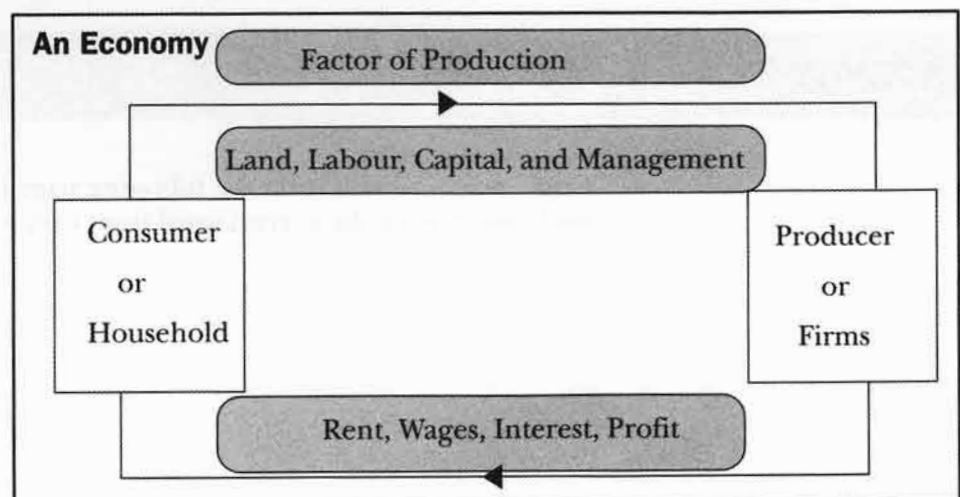
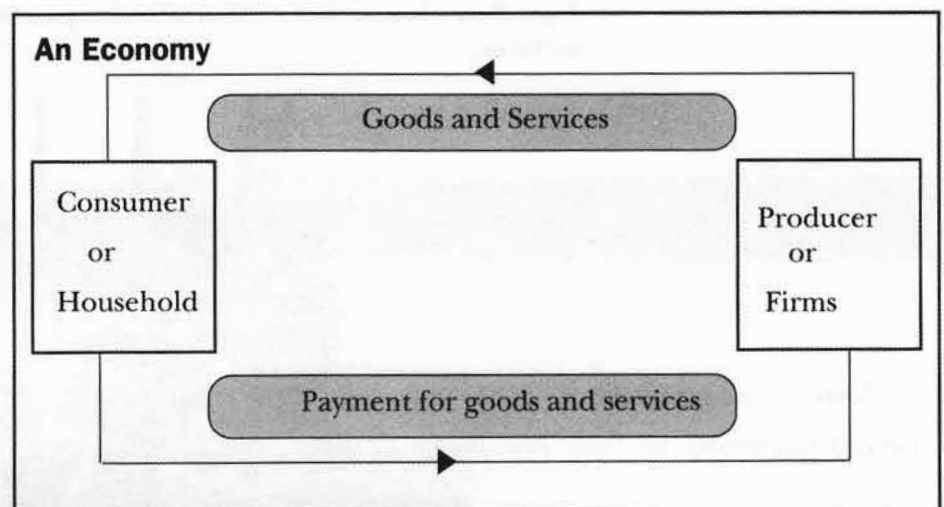
ACTIVITY 2

Matching

Copy down column A on the following page in your books and alongside each point, write the correct word from Column B.

Column A	Column B
1. Things people must have to survive.	(a) Resources.
2. Resources are _____ in quantity.	(b) Labour.
3. Things we need and want.	(c) Wants.
4. A major economic problem.	(d) Consumers.
5. Factors of production.	(e) Rent.
6. The return to land.	(f) Interdependent.
7. Some people are both producers and _____.	(g) Goods and Services.
8. Things people do not need to survive.	(h) Unlimited.
9. Wants are _____ in number.	(i) Wages.
10. Human work or effort.	(j) Scarcity.
11. Consumers and producers are _____.	(k) Needs.
12. The reward for labour.	(l) Limited.

Interdependence of Consumers and Producers



ACTIVITY 3**Flow chart**

Study the flowcharts on the previous page and answer the following questions:

1. What do the firms supply to the households?
2. What do the households provide to firms?
3. What is the source of income of the producers.
4. Name the factors of productions provided by the consumers to enable goods and services to be produced.
5. What are the forms of income from:
 - Land.
 - Labour.
 - Capital.
 - Management.
6. What do these flowcharts teach you? Describe in two or three sentences, what is shown by these flowcharts.

The Consumer Rules!

A Consumer is a producer when he/she contributes to production by providing factors of production and expresses his/her wish to buy the goods and services produced. Without the consumer there is no need for a producer.

ACTIVITY 4**Filling Blanks**

Choose the best word or words from the list given below and fill in the blanks to complete the sentence.

- | | |
|-----------------------|------------------------|
| • Needs and wants. | • Consumer |
| • Goods and services. | • Producer. |
| • Capital goods. | • Economic problem. |
| • Labour. | • Consumer decision. |
| • Management. | • Producer's decision. |

1. Our _____ are unlimited.
2. Machines and tools are examples of _____.
3. Wages are the income from _____.
4. To satisfy our needs and wants we need _____.
5. Income is a factor in _____ making.

6. A consumer is a _____ as well.
7. A producer is a _____ as well.
8. Unlimited needs and wants and limited resources lead to _____.
9. The _____ can be described as deciding how to use limited resources to meet unlimited needs and wants.

ACTIVITY 5**Case Study: Manu and his Family****Case Study:**

Manu is from the village of Malie. He is married to Mele from the village of Taga, Savaii. They have two sons and two daughters. All of them are well educated and caring about their family. The elder son Filamoni runs a small factory, manufacturing banana and taro chips. His second son, Pese, works for Filamoni and gets paid \$250 a fortnight. His sister Sera helps in frying and packing the chips. Manu has a truck and he helps Filamoni in distributing the chips to the stores around Apia and gets paid for the use of his truck. Filamoni's factory is built on the land that once belonged to Mele and Filamoni paid for the land and buildings on it.

Manu's family is a happy family as each one of them earns an income which helps them to buy much of what they need and want. They are able to save some money after spending on the consumption of goods and services. Filamoni has developed his business into a larger one from the profit that he has made from his business. The people in Apia, firmly believe that Filamoni will be a great businessman in the future.

After reading the case study answer the following questions.

1. What factor of production is contributed by:
 1. Mele.
 2. Manu.
 3. Pese.
 4. Sera.
 5. Filamoni.
2. What are the rewards for each factor of production?
3. Describe how Filamoni might use the income he earns from his business.
4. Is it possible that each one of them is a producer and a consumer? If so, why?

Key Words And Phrases Either You Have Come Across Or Are Going To Study.

Consumer	Producer	Rent
Wages	Interest	Profit
Income	Production	Consumption
Factories	Labour	Resources
Households	Capital	Management
Interdependent	Scarcity	Unlimited
Entrepreneur	Earn	Needs
Wants	Factor incomes	Factor rewards
Money flow	Goods and services flow	Economic decision
Producer's decision	Consumer's decision	Cost of production

ACTIVITY 6

Word Puzzle

1. Find the terms below in the word square.

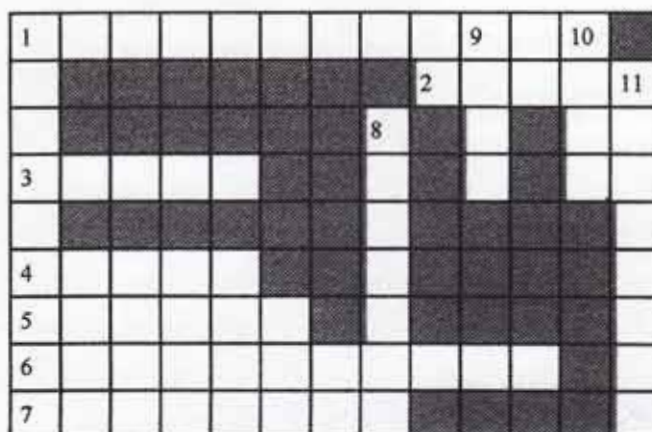
C	A	P	I	T	A	L	B	I	S	T	O	M	A
O	O	P	R	O	D	U	C	T	I	O	N	A	I
N	W	N	Q	R	T	S	Y	M	L	A	Y	N	N
S	Z	B	S	C	A	R	C	I	T	Y	O	A	T
U	O	E	T	U	L	O	Y	O	Z	V	S	G	E
M	S	D	M	S	M	V	L	P	U	W	T	E	R
P	R	O	D	U	C	E	R	Y	M	Y	L	M	E
T	S	T	E	X	D	L	R	E	W	A	G	E	S
I	N	T	E	R	D	E	P	E	N	D	E	N	T
O	R	E	S	O	U	R	C	E	S	R	Q	T	C
N	Y	E	N	T	R	E	P	R	E	N	E	U	R

- Capital.
- Consumption.
- Consumer.
- Producer.
- Interdependent.
- Management.
- Entrepreneur.
- Scarcity.
- Production.
- Wages.
- Resources.
- Interest.

ACTIVITY 7

Puzzle

1. Fill in the puzzle provided with the words provided below.

**Across:**

1. A person who manages and bears a financial risk.
2. Payment for work done.
3. Things we must have in order to survive.
4. A medium of exchange.
5. Any money that you earn.
6. Use goods and services for satisfaction of needs and wants.
7. Doing a job for others (e.g., driving a bus.).

Down:

1. A setup where production, distribution, consumption take place.
8. The excess of cost of goods sold that goes to the seller (the reward for management).
9. The act of getting money from a job.
10. A payment for a Natural Resource.
11. When there is not enough.

Summary

- Three main activities dominate the modern economy:
 1. Producing goods and services.
 2. Distribution of goods and services.
 3. Exchange or consumption of goods and services.
- The role of producers is to produce goods and services to satisfy the needs and wants of consumers.
- One role of consumers is to help producers to produce goods and services by providing resources (by purchasing goods and services) for that purpose. Consumers become producers when they provide their labour to produce goods and services.
- Consumers and producers are interdependent. Producers make or manufacture goods and services to meet the needs of consumers.
- The levels of production and consumption of goods and services are established with the help of the price mechanism.
- Consumers and Producers use their income to pay for goods and services they need.

I KNOW NOW.....

A nation is an economy. Producers and the Consumers are the people who make the economy run. They make economic decisions. They depend on each other to fulfill their needs and wants. In order to make the economy work, there should be a circular flow of goods, services and income. The three main activities taking place in an economy are: production of goods and services, distribution of goods and services and consumption of goods and services.





Review

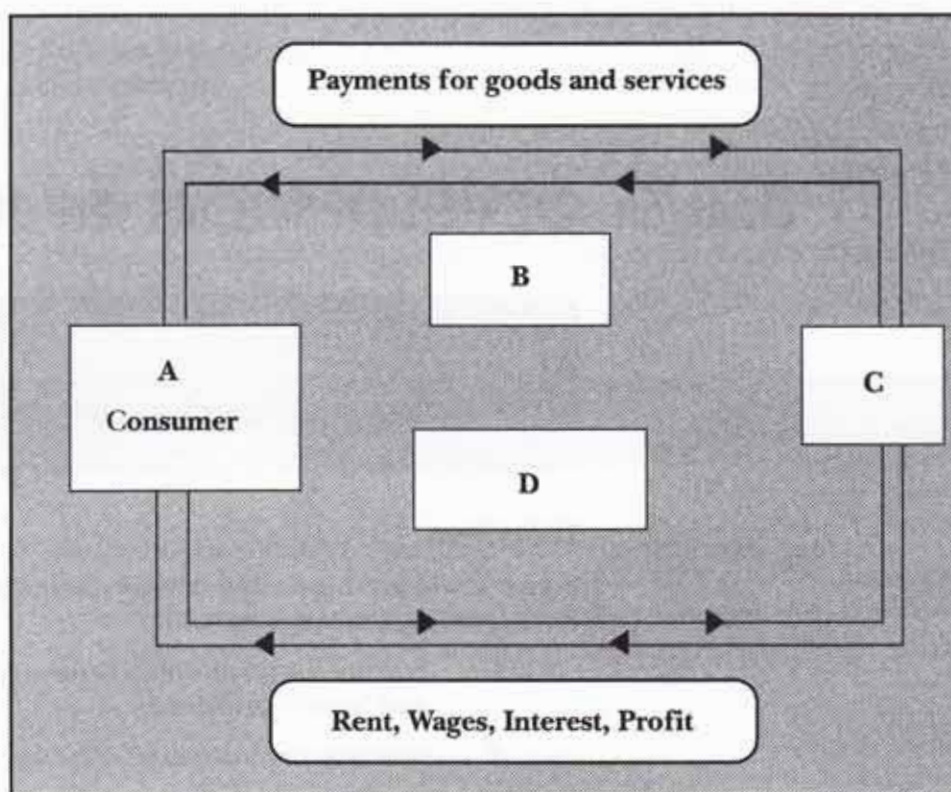
1. List three activities you have carried out that would make you a consumer?
 1. _____
 2. _____
 3. _____
2. What is one activity you have carried out that would make you a producer?

3. Consumers (households) and Producers (firms) need each other. They are:

4. What are the main activities in the economy?
 1. _____
 2. _____
 3. _____
5. What do businesses pay to consumers for the labour they provide?
6. Another name for Management (risk-taker)?

7. Without producers, consumers would not have anyone to provide _____ and _____ to meet their needs and wants.
8. Resources are _____ in quantity.
9. Describe the Economic Problem?

Study the flowchart below and answer the following questions.



1. The letter A stands for "consumer", what does the letter B stands for?
2. Describe the point behind the arrows C and D.
3. There are two sets of arrows here. Name what each one stands for?
4. Describe the message that this flowchart gives you.
5. By looking at the diagram as an economy, explain what two main activities are taking place in the economy.

Unit 6: DEVELOPMENT OF MONEY

AIM:

- From their study of the market students will understand the interaction of households and firms in the market.

Objectives

Students will investigate and develop their skills and understanding of the development of money when they:

1. Explain the relationship between the concepts of Specialisation and Interdependence.
2. Describe the process of exchange.
3. Describe the development of money.

Introduction

This is an introduction to the concept of specialisation and interdependence. Discuss the following terms and respond to the questions.

- Money.
- Barter.
- Interdependent.
- Factors of production.
- Skills.
- Exchange.
- Prices.
- Profit.

1. List some products your family makes for itself e.g., grows taro.
2. List some products your family has to buy because they can not produce them, themselves.
3. Does your dad make you a bicycle for a birthday present?
4. Does your family generate its own electricity?
5. Does one of your uncles produce a plane for your family to travel overseas?

No one can produce all the goods and services they need or want.

How then do we satisfy all our needs and wants?

We have seen that we do not have all the skills or resources needed to produce everything we want. If we want the goods which we cannot produce, we have to find another way of getting them. In every society this is done by a process called **exchange**.

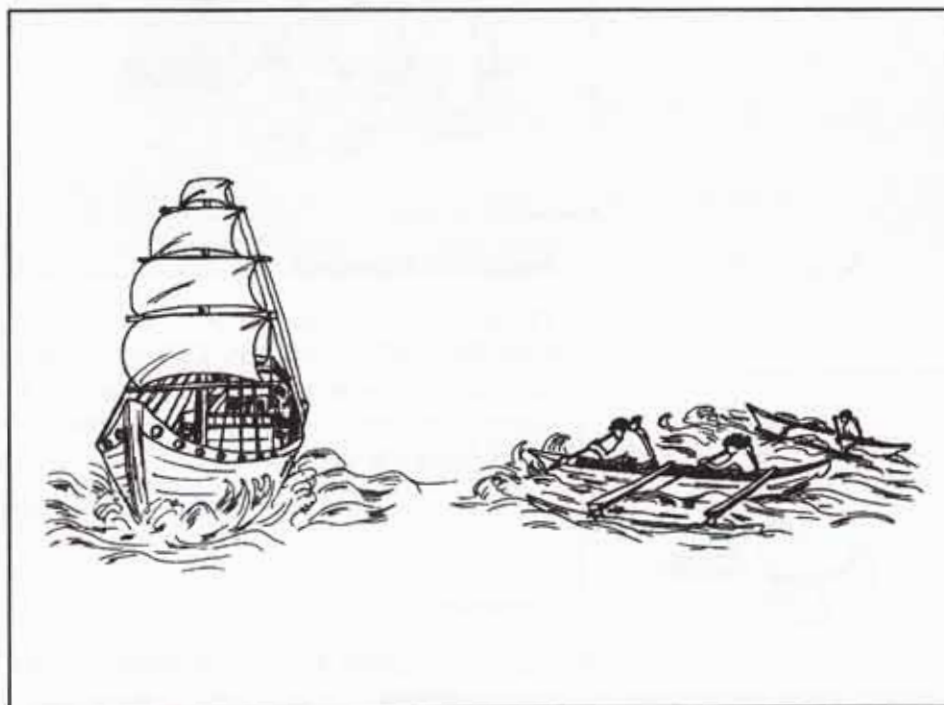
In the early days when people produced more than they needed and they had a surplus of a good, they exchanged these goods for others by means of direct exchange.

Goods are also exchanged for services. For instance, in Samoa people may exchange food for labour.

ACTIVITY 1

The European Traders

Study the information given and then answer the following questions.



Before the missionaries arrived, the European traders had been active in Samoa. There was no wharf so the ships anchored beyond the reef. The Samoan people gathered coconuts and bananas and took these goods in their canoes out to the ships and traded (exchanged) with the Europeans. In exchange for their goods the Samoans received needles, books, nails and other items.

Questions

1. Add five more items to the list of goods that you think the Europeans might have had on their ship to trade.
2. Add five more items to the list of goods that you think could have been in the Samoan canoes.

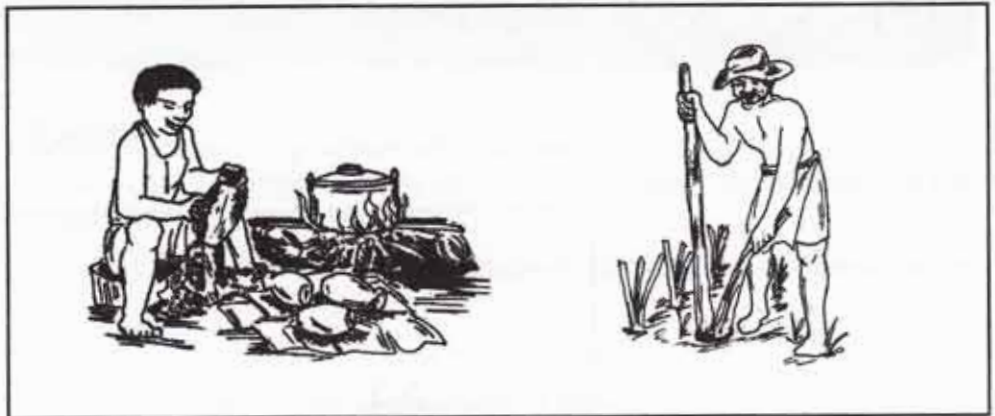
ACTIVITY 2

Barter

People of Palapala

The people of Palapala village depend on farming the land for their food. They need this food to keep alive or to subsist. This type of farming is called subsistence agriculture because each family is able to subsist on what it grows. They produce things for their needs and wants and they may have some left over to exchange or barter.

Subsistence agriculture generally leads to the consumption of most of the goods produced.



People of Suasami

The people of Suasami depend on fishing for their food. They catch fish to keep them alive or subsist. This type of fishing is called subsistence fishing because each man and his family is able to subsist on the fish they catch. Once they have enough for their needs they will exchange or barter for other products with the surplus.

The system of exchanging goods for other goods is called barter.



Questions

1. Make a list of things you think Palapala people could produce.
2. Make another list of things that you think Suasami people may produce.
3. Explain what they might exchange and why they exchange those products.

ACTIVITY 3

Specialisation

Nowadays people become specialised in making certain goods or producing services.

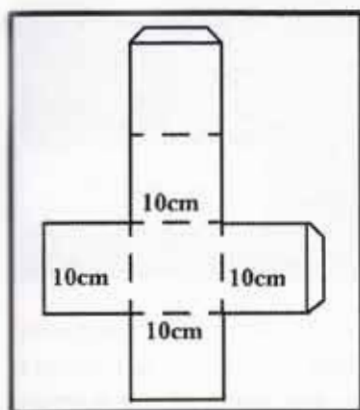
What is Specialisation?

Specialisation occurs when one person becomes very skilled at doing one task or job. When a person is always given a particular job to do they are specialising. If we have the necessary skills, each of us, when asked to do the same work over and over again, should be able to learn to do it quickly and well.

1. You are to try and produce as many boxes as you can in 20 minutes.

Steps.

- i. Draw the box given below onto the cardboard to scale.
- ii. Cut out around the outline box.
- iii. Colour the faces of the box green, blue, red, white, black and yellow.
- iv. Fold the outline and stick them together to form a box.
- v. Label each box with a number.



- (a) How many boxes did the class produce in total?

2. Now get into groups of six people. Each person is to specialise and do one job e.g., tracing the box, or cutting it out.
- (b) How many boxes can the class produce in 20 minutes?

Specialisation results in efficiency improving.



Sineva is 50 years old. She lives in the village of Sapapalii. Sineva started weaving fine mats when she was 12 years old. She continues to weave them even now. She is now an expert in the art of weaving. She weaves such fine and colourful mats that people from all over Samoa wish to buy them.

Even some foreign tourists go to Sapapalii to buy fine mats. Sineva has learnt to weave as fast as a machine.

This is specialisation.

Specialisation saves time. While others take 5 days or a week to weave a mat, Sineva takes only 2 days. She has practised over a long time and her hands move very fast.

DISCUSSION QUESTIONS

1. If you have fish but want rice, how can you get what you need?
2. If so from where?
3. What if the person you exchange with does not want what you have?

Specialisation may often lead to a better quality product. Sineva's mats are the finest because of her experience and skill.

By using specialisation, more goods can be produced. Nobody in Sapapalii weaves as many as Sineva does.

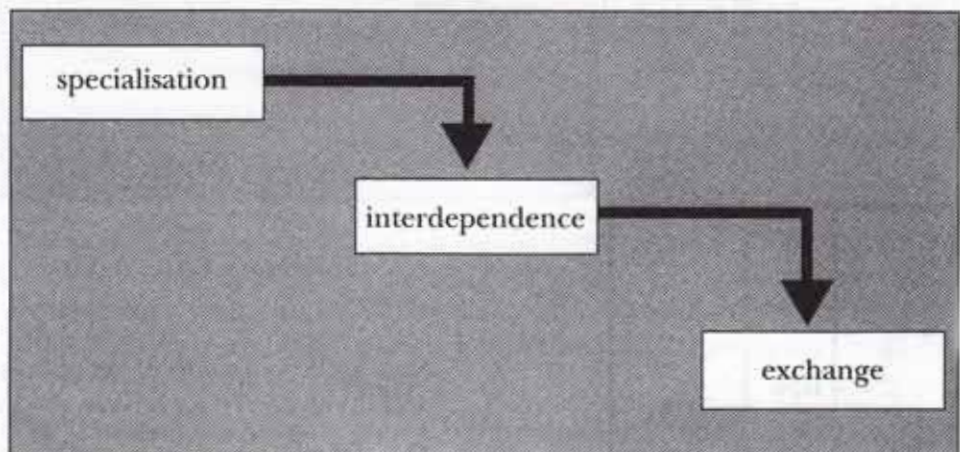
When people specialise in one task, the efficiency and quality of production increases.

As a result of specialisation more goods are produced and people have more to choose from.

Often people specialise in producing one component of a product e.g., one person might prepare the pandanus for weaving while another person actually carries out the weaving. This is also specialisation. Different people contribute their skills to individual parts of the production process.

Interdependence

As people specialise in what they produce they become more reliant on each other. They became more interdependent. Individuals rely on others to produce goods they can not produce themselves. Exchange of these goods can occur through the use of barter or by producing goods in the market place.



When people first started to specialise they exchanged what they produced for other goods they needed. This is called **bartering**. However, bartering is not a flexible or efficient form of exchange. It was necessary to use a better way of exchange in order to overcome the problems of a barter system.

Problems of Barter:

1. Valuation. • It is difficult to work out how many fish equals a sack of rice.
2. Durable. • Some goods cannot be stored for long periods of time.
3. Payment. • Barter does not allow buying on credit.

To replace barter a different system of exchange was used which utilised money. This made the exchange of goods and services easier.

Some Reasons for Exchange:

1. It is impossible to produce all the goods and services one needs and wants. Some goods and services have to be purchased from elsewhere.
2. Excess goods cannot always be kept in storage e.g., food will not keep. It is necessary, therefore to exchange that excess food or it will be wasted.
3. Goods may be scarce and you may be the only person that can produce the required goods. Others will want to try and buy those scarce goods from you or exchange them for other goods.

Rate of Exchange

The "rate of exchange" is the amount of one good which will be exchanged for a certain amount of another good. If Tavita had 10 fish and Paulo had 20 coconuts and they want to trade all their goods, the exchange rate would be two coconuts for one fish.

What decides the Rate of Exchange?

Both the demand for a good and the supply decides the rate of exchange. The more people want (demand) a good and the less of it there is (supply) the higher the rate of exchange.

ACTIVITY 4

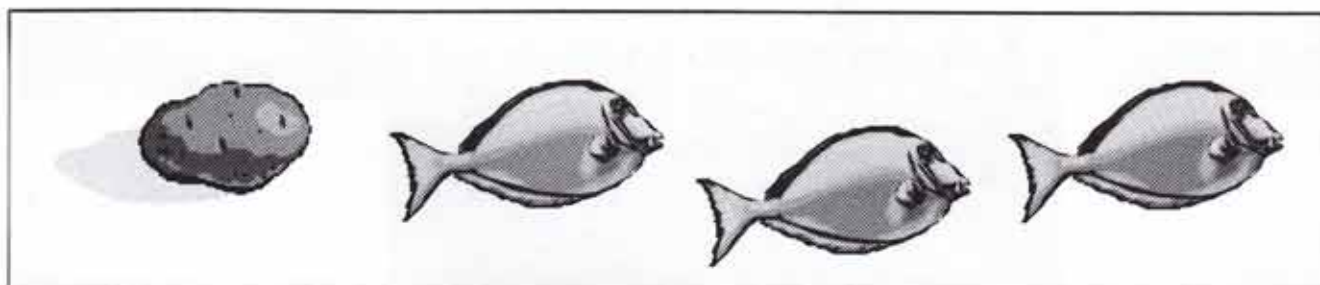
Rate of Exchange

Read the story and then answer the question below.

Tavita is a very good fisherman and has 12 more large fish than he needs. Iosefa has 24 more taro than he needs. They decide to exchange their (surplus) goods.

Question

How many taro should Iosefa give for Tavita's fish? Discuss this in small groups.



ACTIVITY 5**DISCUSSION QUESTIONS**

1. Do you think Iosefa will get more fish for each taro than he did before when only Tavita had surplus fish. Why?
2. What is the price of taro in terms of fish in the example given.

Rate of Exchange

What decides the rate of exchange or price?

Iosefa is the only producer of taro on the island. He has only 20 taro surplus. As well as Tavita there are now four other fishermen. This week has been good for fishing and each fisherman has caught 20 surplus fish. They all want taro.

Advantages of the Exchange System

1. It encourages production.
 - If a family knows that any surplus taro it provides can be exchanged for fish or other things it wants, then it will work hard to produce surpluses of that good.
2. It starts (creates) trade within an island and between islands.
 - People can specialise in doing the jobs they are best at.
3. It creates friendship and unity (oneness).
 - Exchange means that people meet other people and get to know and understand them. People specialising in the same job can also build up a sense of unity or togetherness.
4. It provides a chance to own many things, or in other words, build wealth.
 - The harder you work the more you produce and the more you can exchange. The more you can exchange the more goods you will have. Owning additional goods usually produces greater satisfaction.

Modern Day Exchange

The Advantages of using money for exchange.

1. It does not wear out.
2. It can be saved.
3. It can be stored.
4. People accept it in exchange for goods and services.
5. It is easy to carry or transfer.
6. It is not easy for anyone to produce.

ACTIVITY 6**Barter and Money Exchange**

Do this in small groups:

1. List 8 goods that you have that you could exchange for another good.
2. List 8 goods that you would like to receive in exchange for money.

Factors that Affect Demand and Supply

1. Change in Taste

The kind of food we eat, clothes that we wear and goods that we use, change over time and from one location to another. Today we have videos, tape recorders, expensive cars and many other things that we did not have a few years ago. Our likes and tastes change with time. Thus our demands also change.

2. Change in Income

What we buy and how much we buy also depends on our income. For example, if our income increases we may demand items like more expensive clothes, luxury electrical goods and so on, which we could not previously afford.

3. Change in Habits

Some goods are demanded because of habit formation. For example, chewing bubble gum, smoking cigarettes, and drinking beer can become habits and people demand increasing amounts of these goods.

4. Change in Price

When the price of a commodity increases and it becomes much more difficult to afford, we either do not buy it or buy less of it. When the price of a good decreases, we tend to buy more of it.

5. Change in Profit

Every seller wants to sell at the highest price and earn extra profits. Thus, the supply of goods and services increase when prices are high, and decrease when prices are low.

6. Change in Seasons

Different vegetables and fruit are grown in different seasons. The supply will, therefore, change according to time of harvesting.

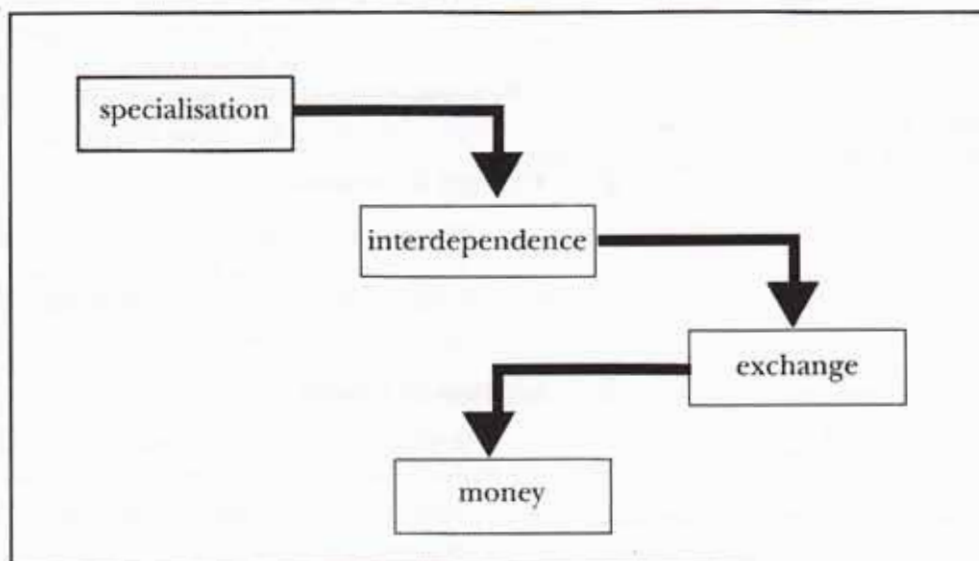
7. Supply can also change with Demand

During Christmas holidays many Samoans wish to travel to New Zealand and Australia. Therefore special flights may be arranged thus increasing the supply of air services.



Faleolo Airport

As the demand for different goods increased and it became difficult to keep exchanging goods through a simple barter system, different forms of money developed to help in the system of exchange.



History of Money

Money was developed in order to make exchange easier.

Development of Money

Money is something that is generally accepted in exchange for goods and services or as a means of payment for goods and services. So instead of exchanging goods for goods as in the barter system, we now either work or sell goods for money and then use the money to buy other goods and services. Today we regard money as being notes (paper money) and coins.

Historically, other things were used instead of coins and notes. e.g., fine mats, tapa, shells, pigs. In Samoa, fine mats and tapa are still being used as a form of money in traditional ceremonies such as weddings and funerals.

Samoa use "Marks" (German money) when the Germans colonised Samoa. After World War 2, New Zealand took over and introduced pounds and shillings which were used until 1959 when the first Samoan money was produced with the identity of the "Territory of Samoa" on it. The Treasury Department was in charge of money at that time.

In July 1967, after Samoa became independent, the New Zealand currency system of pounds and shillings was changed to decimal currency. Samoa's currency then changed to what we presently have- tala and sene.

The Treasury Department handed over responsibilities for money control to the Bank of Western Samoa. Then in 1975 the BWS established a Monetary Board to control Samoa's currency.

The Central Bank of Samoa has been in charge of Samoa's currency since 1984.

Post World War 2

12 pennies = 1 shilling
 12 shillings = 1 pound

Change to Decimals

5 Pounds = \$10
 2 Pounds = \$5
 1 Pound = \$2
 10 shillings = \$1

ACTIVITY 7**Money**

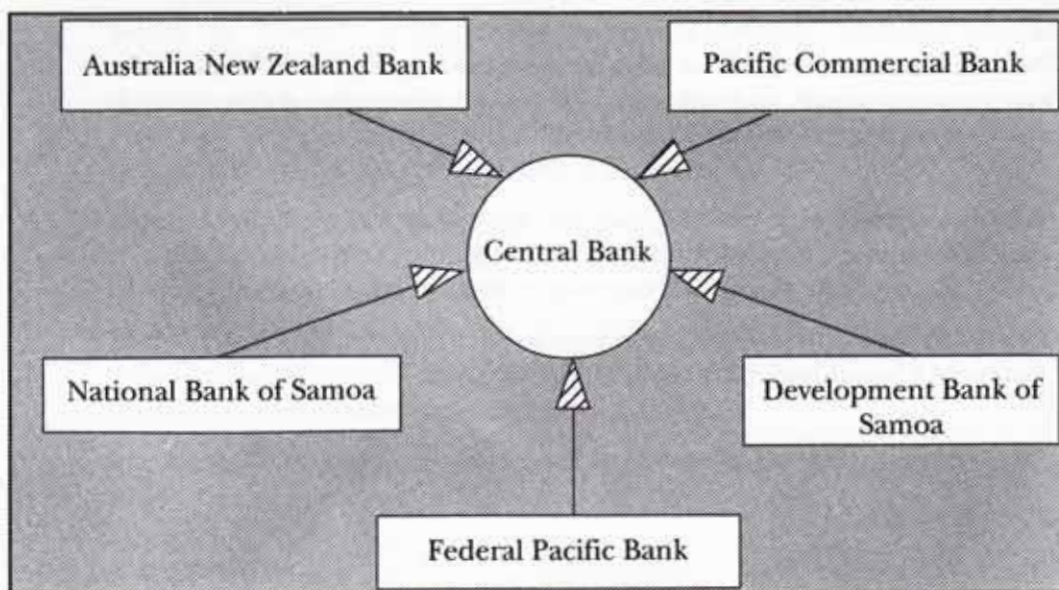
Briefly answer the questions provided and discuss among the class:

1. When was the first money used in Samoa?
2. Why do we use money?
3. Which country mints or prints Samoan money?
4. Why doesn't the government of Samoa mint its own money here?
5. How can you tell that paper money is genuine?
6. In small groups discuss the symbols that appear on different coins and notes.

Summary

- When a person specialised in doing something he/she relied on others to produce other goods.
- People specialised in many ways and production become quicker and easier, this helped the standard of living to improve.
- The barter system was used in the past before the development of money.
- Money overcame the problems of barter.
- Barter was used by Samoan people in trading goods with the Europeans.
- People in the past used other forms of money like shells or pounds, shilling and pennies.
- People use money in exchange for goods and services.
- Money can be anything accepted in exchange for goods and services.
- The Central Bank issues local currencies and controls exchange rates and interest rates for all other banks in Samoa.
- Coins are minted in Singapore and notes are printed in Great Britain and Australia.
- Demand and supply may change according to various influences like income, taste, habits, price, seasons etc.
- Demand is the measure of how much consumers want a particular good or service.
- Demand and supply determines the rate of exchange.
- If the demand is high and the supply is low the rate of exchange will be increased but if the supply is high and the demand is low the rate of exchange will be decreased.

The Central Bank is the bank for all other banks in Samoa.



Review



Answer these questions.

1. What "money" did Samoans use to trade for tools and weapons from the Europeans in the past?
2. In the 1890's how were people along the coastal area able to get crops from inner land that they were unable to grow themselves?
3. Explain some benefits of specialisation.
4. Describe the effects that specialisation had on individuals and how they met their own needs.
5. Describe problems of the barter system.
6. What determines the rate of exchange?
7. List at least five advantages of using money.
8. What currency did Samoa use in the 1950s?
9. When was the first Samoan money produced?
10. Who was in charge of money before it was handed over to the Central Bank?

Unit 7: FUNCTIONS OF MONEY IN THE ECONOMY

AIM:

- From the study of the market students will understand the interaction of households and firms in the market.

Objectives

The students will investigate and develop their skills and understanding of the functions of Money in the economy when they:

1. Identify the Role of Money in the Economy.
2. Describe the value of money and its relationship to inflation in simple terms.
3. Describe the Qualities of Money.
4. Apply the qualities of money to the Samoan Tala and compare the development of the Samoan currency to that of a more developed country.

Introduction

Role of Money

1. Money helps us exchange Goods and Services.

ACTIVITY 1

Money

Gataivai
Savaii

Vasa's
Store

School

If you are a student from Gataivai, and you only have \$2 from your mum, how could you manage to meet your food needs during the school day? Explain.

ACTIVITY 2

Read this paragraph then answer then answer the following questions:

Toala Uaea is a driver of the Vaalele o le Sami's Bus. He earns \$105 dollars a week which is just enough to support his family.

He gives his sons Uili and Lapi ten dollars every week. They spend two dollars each on bus fares and sixty cents each a day on extra goodies.

Toala Uaea gives his wife Tumua fifty dollars a week for food and household goods. She spends twenty dollars on meat and fish, fifteen dollars at the market and the rest on their needs.

They spend fifteen dollars for donations and they have thirty dollars left over to save. Toala is a good father.

We can exchange money for goods and services.

Questions:

1. Who is Toala Uaea?
2. How much does he earn?
3. Tumua receives how much from her husband?
4. Work out this family's budget.

Money allows us to store income for the future

Many people do not spend all their income. They save money.

Many goods such as milk, fish, fruits etc., cannot be stored for long periods because they perish.

Money, in the form of notes, and coins does not perish and can be easily stored.

What is the value of this primary good(the crab)compared to its money value?

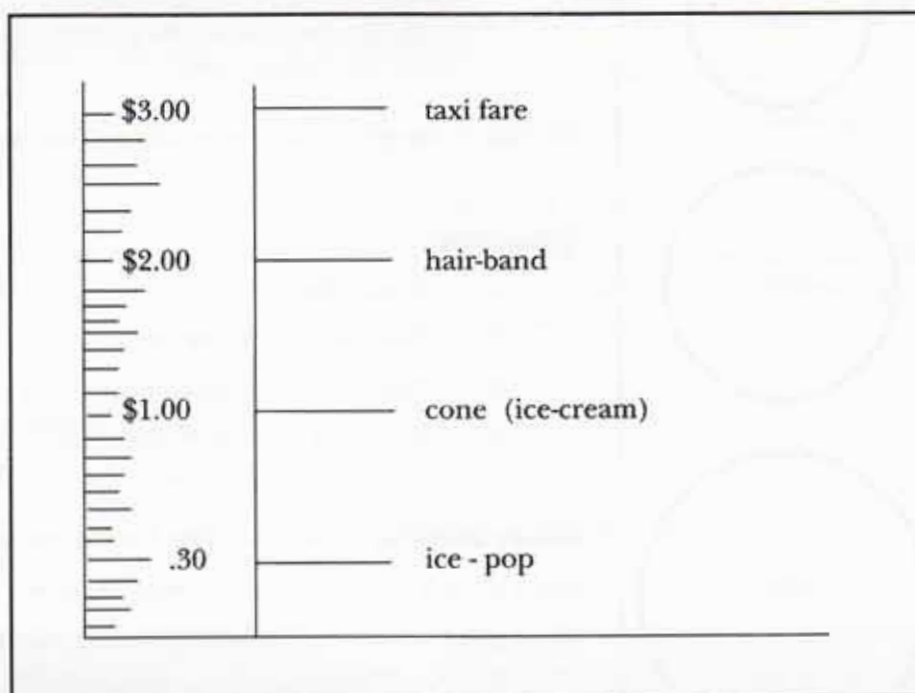


Money enables us to compare value.

Draw a column graph to show the cost of goods provided in two years.

GOODS	YEAR 1998 COST	YEAR 1999 COST
pencil	.30	.50
1 lb sugar	.80	1.00
bread	1.20	1.40
Anchor (milk)	2.00	2.80
12 oz. South Sea	4.00	4.50

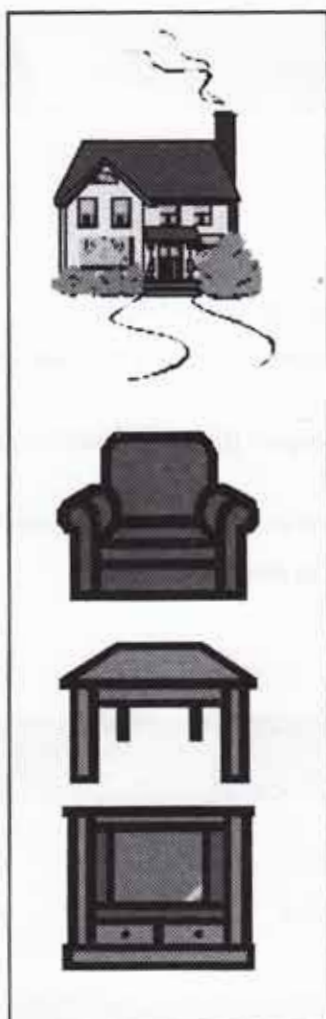
Goods have a definite money value, their price. Money is a measuring tool which enables us to compare the value of different goods.



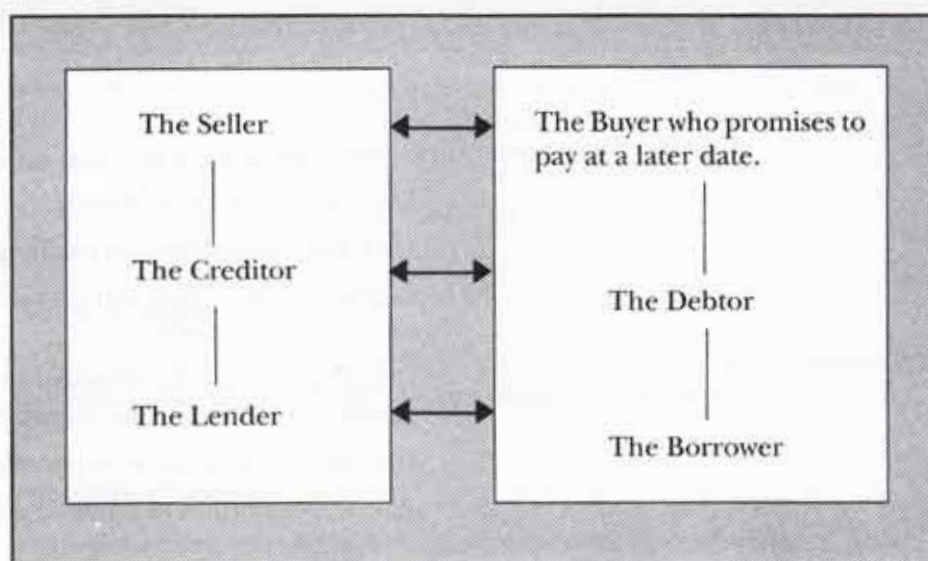
Money helps us to compare the value of different goods.

Answer the following questions:

1. Why do we value some goods and services more than others?
2. Why is a bottle of 12 oz. "South Sea" sold so cheaply at some stores?



Money Helps in Buying and Paying the Debts.



Credit makes it possible for many people to buy a car, a house and consumer goods, e.g., furniture.

Payment is made over a period of time extending into the future.

The only way we can do this satisfactorily is to measure the future payments in money.

Those paying know exactly how much they must pay, and those receiving money know exactly how much they are going to receive.

ACTIVITY 3

Refer to the diagram above and then answer these questions:

1. What are the important things to consider when buying a car?
2. List the most important things a house must have to encourage a person to buy it.
3. If the TV we are thinking of buying is a secondhand set, what would you expect its price to be compared to a new set?
4. The set of furniture cost \$500. If the buyer deposits \$100 for the set, how much is left to pay?



ACTIVITY 4

Answer these questions:

1. List four functions of Money.
2. How does money help us exchange goods and services?
3. Explain why it is often better to save spare income in the form of money than as goods?
4. Describe how we can use money to compare the value of different goods and services? Give examples.
5. Why might it be better to buy goods now instead of saving money?
6. Why is it important to record a debt in terms of money?

ACTIVITY 5

The words below relate to some functions of Money.

Complete the words in your exercise book.

1. c _ _ _ a _ _ _
2. _ _ _ v _ _ i _ _ _ _ e
3. e x _ _ _ _ g _ _
4. _ _ _ _ s _ _ n _ _ s _ _ _ _ c _ _ s
5. c _ _ e _ _ i _ _

Word Study

•Medium • Value • Functions • Deferred •Inflation.

Medium of Exchange

Money is used to buy goods and services.

Store of Value

Money can be stored or saved for a very long time. It can buy goods and services in the future without losing too much of its value.

Measure of Value

Money measures the value of a good or service. Value is what a good is worth in terms of another good.

Means of Deferred Payments

Money can be paid at a future time, when buying goods on credit.

Inflation

A sustained rise in the general price level which reduces the value of money..

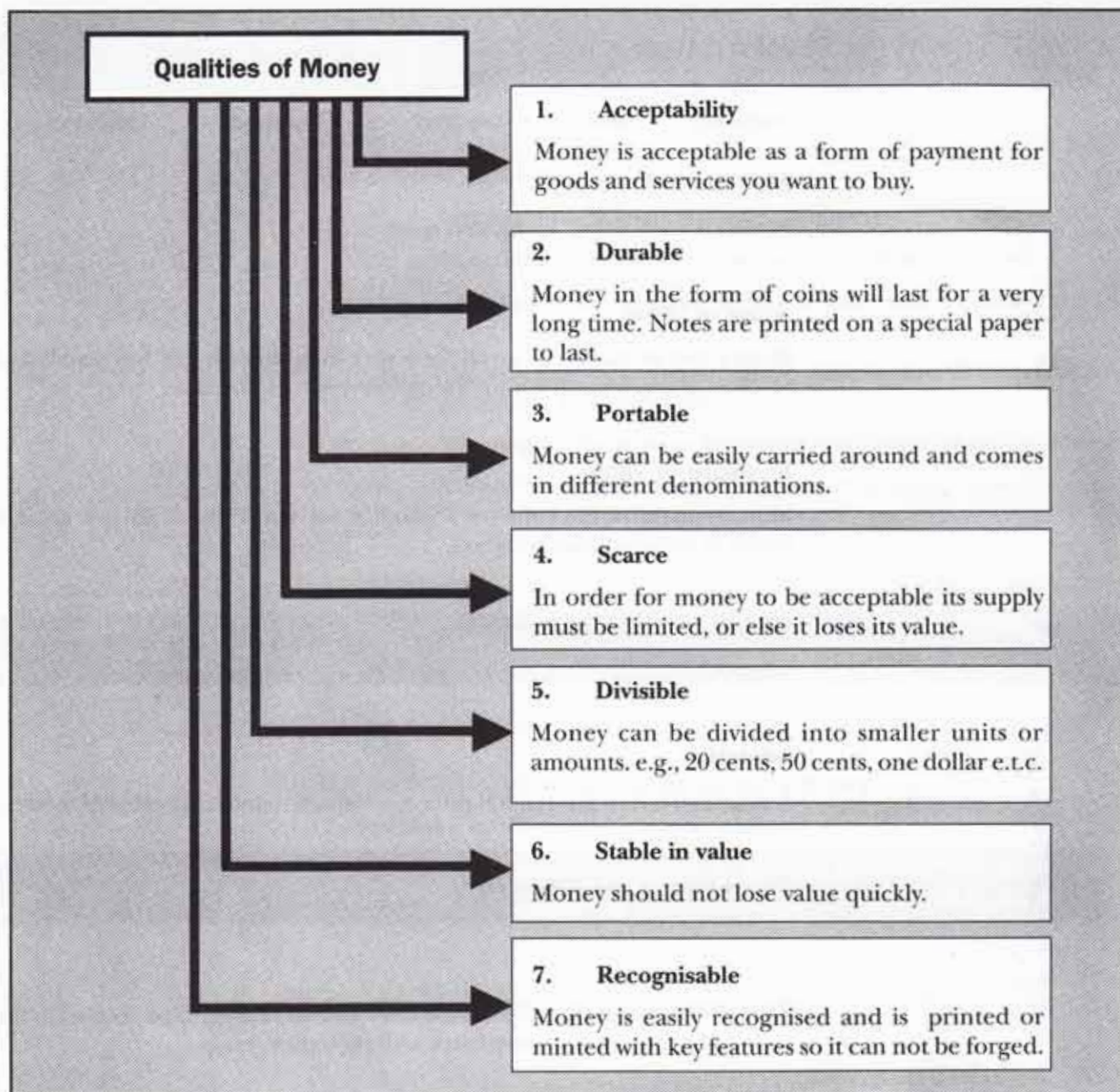
ACTIVITY 6

Functions of Money

Read the story and then discuss the questions in small groups. Report to the class and compare your responses with the other groups.

You are shipwrecked with ten other people and land on a deserted island. Apart from clothes no one except you and two other people manage to save anything from the ship. By chance, you happen to have a fishing line and some hooks and sinkers. The other two people landed with money in their pockets. One had \$20,000 and the other had \$30,000.

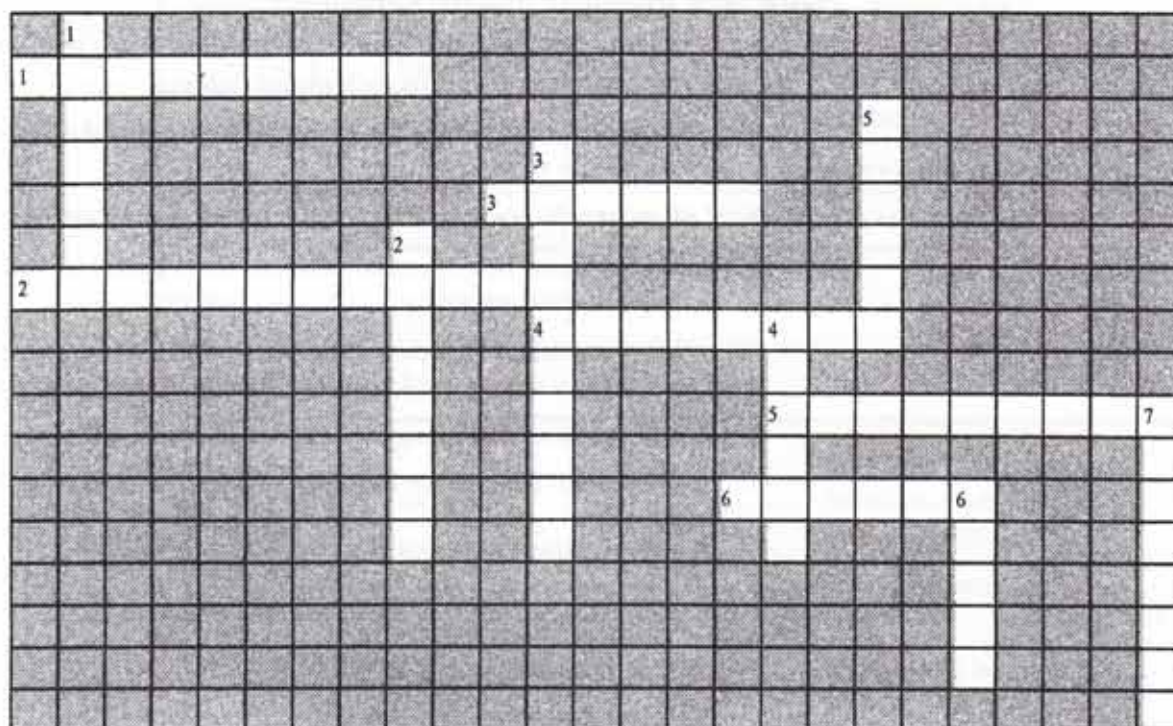
1. How much would you sell the fishing line, hooks and sinkers for?
2. Why does the fishing gear have the most value on the deserted island?
3. You are selected chief of the island, how would you organize the people to help you all survive and live well?



- Bank notes and coins are often called cash.
- Cash in Samoa made up of notes, \$100, \$50, \$20, \$10, \$5, \$2 and coins \$1, 50c, 20c, 10c, 5c, 2c, 1c.
- The value of a note or coin is called the Denomination or Face Value.
- When you look at any notes you will find the words Legal Tender written on them. This means that people can accept the notes in payment of a debt, or for goods and services.
- Notes and coins are not the only type of money accepted as payment today. Payment can also be made by cheques, credit cards or bank cards.
- The value of the Samoan Tala changes when compared to other countries according to the strength of the Samoan economy.

ACTIVITY 7

Crossword Puzzle

**Down.**

1. It must not spoil if kept any length of time.
2. Has a great value.
3. The desire to have something.
4. Plan to spend money wisely.
5. Firmly fixed.
6. Generally accepted in exchange for goods and services.
7. To change one thing for another.

Across.

1. We look at it to say if something is good or bad.
2. To identify something.
3. Not available in sufficient amounts.
4. You can easily carry.
5. Capable of being divided.
6. Something holding a middle position.

ACTIVITY 8**Matching**

Match these statements with the words below.

1. Sam, who just came from New Zealand, went to the bank to change his NZ money to Samoan money.
2. Tolu walked around from school when he found a \$1 coin lying beside the road.
3. Tagi gave Kome a wallet to carry his money around in.
4. Money has to be earned in different ways. Farmers have to grow crops to earn money.
5. John was asked to divide a \$5 note so that his brother and sister in Primary school could get \$2.50 each for their lunch.
6. Rufo wants to buy a dress for \$20 but she does not find anything.
7. Tony took some Samoan money with him on his overseas holiday.

- A. Durable.
- B. Scarce.
- C. Divisible.
- D. Portable.
- E. Recognisable.
- F. Acceptable.
- G. Exchange.

ACTIVITY 9**Yes or No**

Answer YES or NO to the following questions. Write the answers in your text books:

1. Do you have your own income?
2. Do you have any personal assets or goods? (Assets hold their value).
3. Are your personal goods worth more than \$200?
4. Do you live at home?
5. Do your parents pay your school fees?
6. Have you had any credit before?

ACTIVITY 10

Bingo

B	I	N	G	O
Functions	Valuable	Money	Portable	Economy
Durable	Budget	Society	Medium	Scarce
Earn	Divisible	Plan	Recognisable	Spend
Acceptable	Exchange	Stable in Value	Compare	Qualities

<p style="text-align: center;">B</p> <ol style="list-style-type: none"> 1. Different uses. 2. It lasts for a long time without wearing out. 3. To get something by working for it or as a reward. 4. You would accept it in payment for goods. 	<p style="text-align: center;">I</p> <ol style="list-style-type: none"> 1. Worth a lot of money or of a great value. 2. Plan to spend money wisely. 3. Capable of being divided up. 4. To change one thing for another.
<p style="text-align: center;">N</p> <ol style="list-style-type: none"> 1. Generally accepted in exchange for goods and services. 2. A group of people organised for a particular purpose. 3. A way of doing something. 4. Firmly fixed. 	<p style="text-align: center;">G</p> <ol style="list-style-type: none"> 1. You can easily carry it. 2. Something holding a middle position. 3. The desire to have something. 4. To bring together and examine the relations between.
<p style="text-align: center;">O</p> <ol style="list-style-type: none"> 1. A system of production, consumption and exchange. 2. Not available in sufficient amounts to meet demand. 3. To use money to pay for things. 4. How good or bad something is. 	

Summary

- In the past many people used barter as a way of exchanging goods and services.
- Specialisation led to Interdependence.
- Interdependence led to the development of money.
- There are many forms of money.
- Legal tender means money that can be accepted as legal payment.
- Inflation lowers the value of money.

Uses of Money

- Medium of exchange - money helps us exchange goods and services.
- Measure of value - money enables us to compare the value of different goods and services.
- Store of value - money allows us to store income for the future.
- Means of Deferred Payment - money helps in buying a good on credit and paying the debts in the future.

Qualities of Money

- Acceptable.
- Durable.
- Divisible.
- Portable.
- Scarce.
- Stable in value
- Recognisable.

Money is generally thought of as notes and coins, but money takes many forms. Money is anything accepted as a means of payment for a good or service.

Review



Briefly answer these questions:

1. Write a sentence for each of the following terms.
 1. Money.
 2. Exchange.
 3. Income.
 4. Consumer.
2. Explain why money such as notes, coins etc., is better as a medium of exchange than bartering goods for other goods.
3. Explain why notes and coins are a better form of money than the use of food as a means of exchange (e.g., by bartering).
4. Which is the most practical system. The barter or the money system.
5. Explain why rich people usually have a much higher standard of living than poor people?
6. Give some reasons as to why is it important for a consumer to save for the future?
7. Value is what a good is worth in terms of another _____.
8. What are the most important qualities that money must have?
9. Money came into use because of the problem of _____.
10. Which of the following is very easy to carry?
 1. Pig.
 2. 5 lbs sugar.
 3. \$100 note
 4. Table.
11. What is inflation?
12. Why are some foreign currencies very expensive when compared to the Samoan tala?

Acceptability	Something that can be accepted as adequate e.g., money must be acceptable in exchange for goods and services.	(Taliaina)
Agreeable	When something is good or in favour.	(Maliega)
Agriculture	It is the breeding of animals and growing of plants.	(Faatoaga po o lafu manu)
Allot	To distribute or to divide.	(Tufatufa)
Artificial resources	Resources which are made by man.	(Oloa po o ni mea e fausia e tagata)
Assets	Things like land and buildings which are owned by the business.	(Aseta po o mea totino a le pisinisi)
Availability	When something is ready for use.	(Ono faaaoga)
Bacon	Salted or smoked meat from back and side of a pig.	(Meaai e gaosia mai I le aano o le puaa)
Bakery	A place for baking bread, buns e.t.c.	(Falefalaoa)
Bank cards	These are cards which identify the user and are used for drawing money from the ATM machine.	(O se pepa faamaonia mo le faaaogaina I masini tupe)
Bank teller	An employee in the bank who issues money to the customers.	(O se tagata faigaluega I le faletupe)
Barter	Exchanging of goods for goods.	(Fesuiiga o oloa I oloa)
Beast	A large wild animal eg: cattle.	(O se meaola tino ese)
Borrower	A person who makes temporary use of something owned by someone else.	(O se tagata nono tupe)
Budget	A plan of how to spend money or time wisely.	(Fuafuaga tau tupe)
Bull	A male beef animal which can be used for breeding with cows (the female).	(Pulu (povi poa))
Butcher	A person who sells meat.	(Fasimanu)
Calves	A baby cow, bull, elephant or whale.	(Tamai povi)
Capital goods	Machinery or equipment used to produce other goods.	(Masini ma mea faigaluega)
Cattle farm	Land and buildings where beef animals (bulls, cows, steers) are raised.	(Lafu povi)
Cheque	A written order to one's bank to pay a sum of money.	(Siaki tupe)
Choice	The act of choosing or selecting between alternative things.	(Filifiliga)
Commodity	A good or a product that is wanted or can be traded.	(Oloa)
Concepts	A general idea or understanding.	(Malamalamaga)
Consumer	A user of a product (of a good or a service).	(Faaaogaina o oloa)
Consumption	The act or process of consuming.	(Faaaoga)
Consumption Goods	Goods which are bought to satisfy your needs and wants.	(Tupe faaaoga mo le faataunuaina o manao)
Credit	Allowing customers to take goods but giving them time to pay.	(Faaaitalafu)

Credit card	A card authorising (allowing) the holder to buy goods or services on credit.	(O se pepa faamaonia ai fefaatauaiga faaaitalafu)
Creditor	A person or firm to whom money is owed.	(O se pinisi oloo tatou nofo aitalafu ai)
Cropping farm	Land and buildings where crops (plants and vegetables) are grown.	(Faatoaga)
Crops	Agricultural produce such as vegetables, wheat or fruit.	(Fua o faatoaga)
Dairy farm	A farm where cows are kept and milk and milk products are produced.	(Lafu manu)
Debt	Something owed such as money, goods or services.	(aitalafu)
Debtor	A person who owes money, goods or services to others.	(Tagata oloo nofo aitalafu I isi tagata).
Deferred	To put off until a future time - to postpone.	(Tolopo)
Demand	The amount of goods and services that people want to buy (and are able to do so) at a given time for a given price.	(O ni manaoga)
Denomination	A class of units having specified values as in a system of currency eg. \$100,\$1.	(Vaeveaga o tupe)
Dentist	A person whose profession (work) is to diagnose and treat (fix up) diseases of, or problems with, teeth.	(Fomai nifo)
Dependence	The state of being dependent on, or needing the support of, someone or something.	(Faalagolago)
Deposit	Something (e.g., money) put in a place like a bank for safekeeping.	(Teu, tiposi)
Desert	Dry land not suitable for agriculture.	(toafa)
Development	Process or result of developing.	(Atinae)
Distribute	To give out.	(Tufa)
Divisible	Can be divided.	(Ono vaevaea)
Donation	A gift (often money) to someone or an organisation.	(Foai)
Durable	Will last for a long time.	(Tuai ona leaga)
Earn	To gain by labour or service.	(Maua mai ai)
Economic goods	Goods that are paid for.	(Le lava mea e gaosia ai oloa)
Economic problem	Resources are not enough to meet all the demands for them.	(Se galuega e totogi lona faiga)
Economic services	Services that are paid for.	
Economics	The organisation or operation of the process of production and distribution.	
Economy	Management of affairs and resources of a state business or household.	(Tamaoiga)
Efficiency	Producing the desired result with the minimum of effort or resources.	(Lelei atoatoa)

Entrepreneur	An innovator and risk taker.	(Fai pisinisi)
Entrepreneurship	This is the ability and willingness of a person (the entrepreneur) to use their own and other resources and put new productive ideas into commercial practice.	(Agavaa I le faafoeina o le pisinisi)
Essential	Necessary.	(Taua tele)
Establish	Set up something like a business or a sports team.	(Faavae)
Exchange	Giving one thing and receiving another in its place.	(Fesuiaiga)
Expenses	Costs or charges required to be paid when doing something (like starting a business or selling a product).	(Tupe faaalu)
Expert	Person having special skill or knowledge, skilful.	(Tagata ua atoatoa lona agavaa I se galuega)
Face value	Value stated on coin, note, etc.	(Aoga o se tupe)
Facilitate	Make easy or easier.	(Faafaigofie)
Factors of production	Resources (e.g., land, labour and capital) which are the inputs used in production.	(Mea e faaaogaina mo gaosiga o oloa)
Features	Significant or obvious parts of something.	(Foliga)
Fence	Enclosing a field.	(Pa puipui (uaea))
Firm	Business.	(Pisinisi)
Florist	One whose business involves working with flowers.	(Tagata faiteu)
Flow-chart	A chart that shows the process of change (input and output).	(Siata faasino)
Function	Work a thing is designed to do.	(Mataifaioi)
Goods	Products, commodities.	(Oloa)
Harvest	To get something out e.g., gathering of a crop of vegetables.	(Seleselega o fua o faatoaga)
Herd of cattle	A large group of cows, steers and bulls on one farm.	(Lafu povi)
Hooks	A curved piece of metal or plastic used for catching, holding or hanging things.	(Faamatau)
Household	A group of people living together in one place.	(Aofaiga o tagata I se fale e tasi)
Human resource	The labour or work performed by people using their knowledge and skills.	(Tagata faatinoina galuega po'o gaosiga o oloa)
Import	The bringing in of goods into a country from overseas.	(Faatau mai o oloa)
Income	Money that comes to a person or business through work or selling something.	(Tupe maua)
Industry	All the people and processes involved in producing, distributing and selling a particular product.	(Tagata ma auala e faaaoga I le gaosiga o oloa)
Inflation	A general, and often continuing, increase in prices.	(Siitaga o le tau o oloa)
Intangible	Assets or things that have no physical appearance but are of value.	(Mea a leai ni tino eg. O le tauleleia o se pisinisi)

Interdependence	Rely on each other.	(Faalagolago o le tasi I le isi)
Interpretation	Explaining or making something clear; decide what it means.	(Faamalamalama o se mataupu poo ni upu)
Knowledge	Ideas, information or understanding of something that you have.	(Atamai, iloa, o se mea)
Labour	Physical work/human work, people doing something or making things.	(Galuega faatino)
Land	A factor of production which includes the natural resources or all the gifts of nature on it or in it.	(O laufanua e aofia ai mea o le natura)
Leather	The skin of some animals used to make shoes, bags, belts and clothes.	(Pau o manu e faaaoga e fai ai ato, seevae mmf)
Legal tender	Currency which is acceptable within one's country.	(Tupe faatagaina a se atunuu)
Lender	A person who gives his personal property to be used by another person on a temporary basis.	(Tagata e nono atu ana meatotino I isi tagata)
Limestone	A rock used for building e.g., Marble is a kind of limestone.	(O ituaiga maamaa)
Limited	Not enough supply.	(E le lava; utiuti)
Management	The people who take care of a business or a home.	(Puleaina o se pisinisi)
Manufacturer	A person who or an organisation who produces goods, usually in a factory.	(Tagata gaosi oloa I fale gaosi oloa)
Market garden	A place where we grow and sell flowers, fruits and vegetables.	(Maketi e faatau ai fugalaa, fualaa aina)
Marvel	A feeling of wonder or surprise.	(ofo)
Medium of exchange	When people exchange goods and services money can be used to make the exchange easy (e.g., money is the medium of exchange).	(Faaaogaina o tupe mo le faafesuaiga o oloa ma gluega)
Mining	The digging out of minerals like gold, oil and coal from the earth.	(Eliga auro ma isi minerale mai le elele)
Minted	Making of notes and coins.	(Gaosiga o tupe pepa ma siliva)
Modern technology	Using modern machinery or machines like computers when producing something.	(Agavaa I le faaaogaina o masini I aso nei)
Money transfer	Sending of money from one country to another.	(Tupe auina mai Isi atunuu)
National resource	Something owned by country for the good of the public e.g., Apia Park for games.	(Mea totino a le malo mo le lelei o le atunuu)
Natural resource	Raw materials from land and sea which are useful to people eg. fish, forests mineral etc.	(O mea o le natura e pei o laufanua, sami mmf)
Non-essential	Things that we don't really need to have to survive.	(Mea e le afaina pe a le iai mo le soifua I aso uma)
Non-renewable	Not able to change (convert) into another new product.	(O se mea e le mafai ona toe gaosi ai se isi oloa fou)
Obtain minerals	Get minerals from the earth such as gold, iron ones.	(Aumaia o minerale mai le elele)
Orchard	Piece of ground where fruit trees are grown.	(Faatoaga fualaa aina)

Patient	A sick person who is being treated (made better). Willing to wait for something.	(Gasegase; tagata mai)
Perish	Be destroyed.	(Faatamaia)
Physical work	Manual labour.	(Faatinoga o galuega e faaaoga ai le malosi o le tagata)
Piggery	A pig farm, a place for keeping or raising pigs.	(Lafu puaa)
Portable	Can be carried around; easy to move around.	(Faigofie ona feaveai)
Poultry farm	A farm where chickens and hens are raised.	(Lafu moa)
Primary industry	The sector where raw materials are mined or extracted and agricultural products are grown or raised.	(Aoina o o mea o le natura)
Primary producer	Person who produces the natural resources for immediate use or processing e.g., farmer or a fisherman.	(Mo le gaosiga o oloa eg. Lafu puaa)
Produce	To make a good or a product.	(Gaosi)
Producer	A person who produces or makes goods and provides services.	(Tagata e gaosiina se oloa)
Production	The making (producing) of goods and services .	(Gaosiga o oloa)
Profit	Surplus money; extra money left after all the expenses are taken away from the income received or paid.	(Polofiti tupemama; tupe faasili)
Profitable	Successful; the resources are available to be able to continue with operations or to expand.	(Tulaga lelei ma le alualu I luma)
Project	A plan or a scheme for doing something like developing a new business or constructing a new building.	(Faufuaga mo le fausiaina o se atinaae)
Quality	How good something is; something special about an object.	(O se itu lelei o se mea)
Quantity	Amount (number) of goods.	(Aofaiga)
Raw materials	Natural resources; things from nature used for production of goods.	(Mea o le natura e gaosi ai ni oloa)
Recognisable	Can be recognised; be able to see something.	(Amanaia; matauina)
Renewable	Be able to be turned (converted) into another (new) product and be replaced by the same sort of thing.	(Toe fausia pe sui I se isi mea)
Resources	Anything that is used to produce goods e.g., Land, trees, labour, money.	(Mea e faaaoga I le gasoiga o oloa)
Responsibility	Task, duty of a particular person.	(Tiute; faiva, galuega, mataifaioi)
Restaurant	Place where meals may be bought and eaten.	(Faleaiga)
Retailer	Company/business which sells goods to the public e.g., a clothing store.	(Faipisinisi laiti)
Rewards	Something given or received in return for service or merit.	(Tau)
Satisfy	Meet expectation	(Faamalie)

Secondary industry	Goods that are produced from raw material like trees into paper and wool into cloth.	(Gaosiga o oloa mai mea o le natura)
Secondary producer	A person who manufactures primary products into other products.	(Tagata e gaosia oloa mai mea o le natura)
Seller	A person who sells goods or services to someone else.	(Tagata e faatau atu)
Services	Doing or providing something to help a consumer.	(Galuega)
Shipwrecked	Sinking or destruction of a ship.	(Vaa ua faaleagaina)
Skills	Ability to do something gained by practice.	(Agavaa)
Spade	Tool for digging which has a broad blade and long handle.	(Suō)
Specialisation	When a person is given a particular (special) job to do which is normally repeated time and time again.	(Tagata ua iai se tomai faapitoa)
Steers	Young, castrated beef animals.	(male oa)
Subsistence Agriculture	A type of farming where people consume what they produce.	(Faatoaga mo le tausiga o aiga)
Substitute	Person or thing acting or serving in place of another	(Sui tulaga)
Supply	The number of goods and services which producers will be willing to provide at a given price and at a given time.	(Sapalai/tufa mai/tufa atu)
Surplus	Quantity left over.	(Mea totoe)
Tangible	That can be touched, real.	(Mea faitino)
Tertiary industry	The sector in which secondary products are taken to where they are needed or wanted or in which services are provided.	(Tufatufaina o oloa)
Tertiary producer	A producer who provides services.	(Tagata na te tufaina atu oloa)
Tractors	Motor vehicle for drawing heavy loads.	(O masini)
Trade	Exchange (buy and sell).	(Fefaatauai)
Traditional ceremonies	A formal activity which has cultural importance to a country or people.	(Sauniga faaleaganuu)
Transportation cost	The cost of carrying goods from one place to another by using any type of vehicle.	(Tau o felauaiga)
Uncultivated land	Land that is not being used and may never have been used for plantation purposes.	(Eleele le faatoaina)
Unlimited	Not limited.	(Le lava)
Unprocessed	Not processed or manufactured.	(Lei gaosiina)
Valuation	Estimation (estimated value).	(Faatusatusaga)
Value	Amount of money or goods that would be paid or exchanged for something.	(Faatusatusa)
Vineyard	Plantation of grapevines, especially for winemaking.	(Toga)
Wholesaler	Companies or individuals who sell goods in large quantities to retailers.	(Tagata e faatau atu oloa sii atoa)

