

# Circular Flow of Income : 3 agent economy (G,H+F)

Micro Economy made up of Government(G), households (H) and firms (F)1

Note:  
Factors of  
Production  
(F.O.P.) =

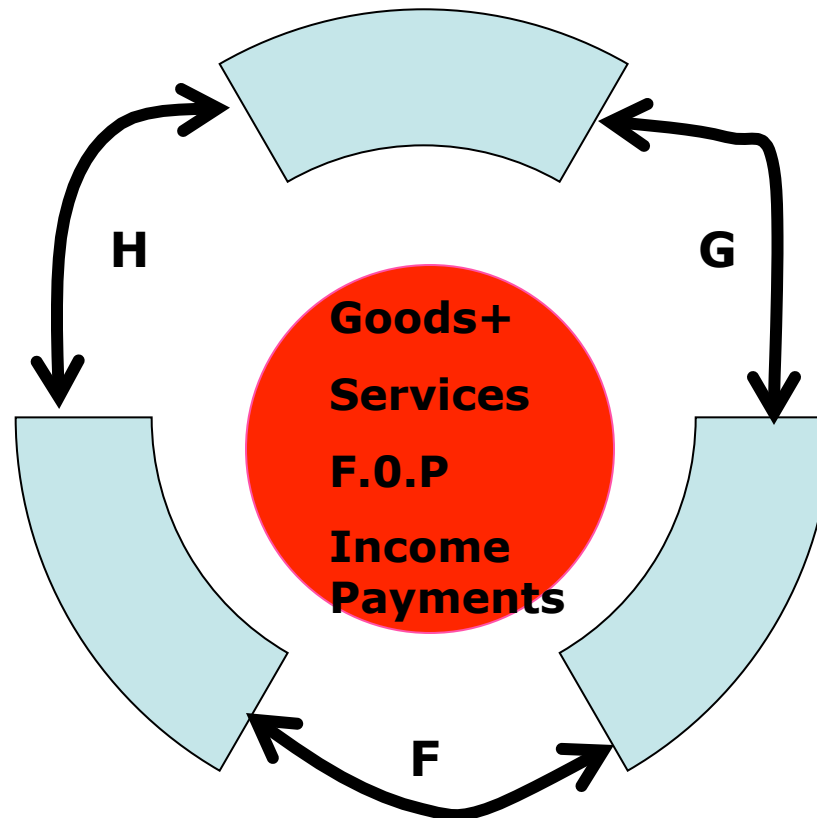
Land

Labour

Capital

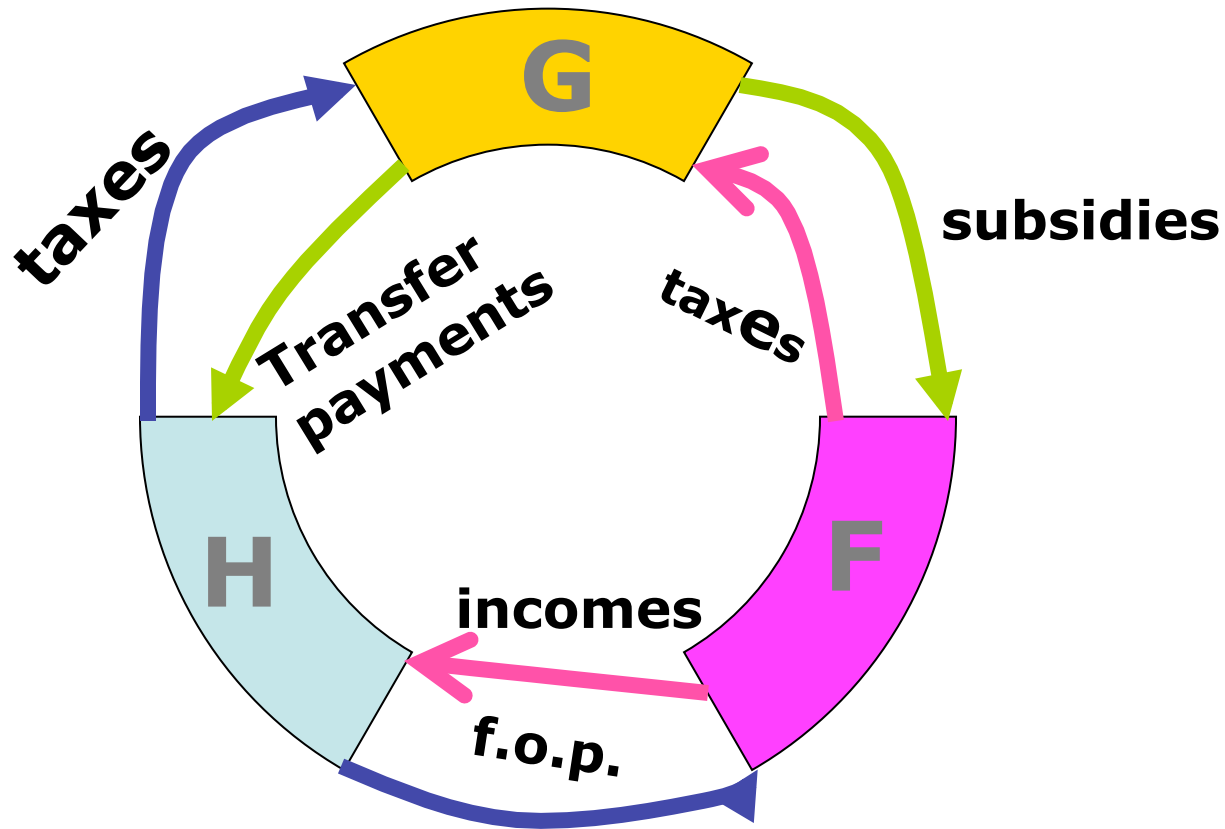
Enterprise

Introduction:Webnote  
003



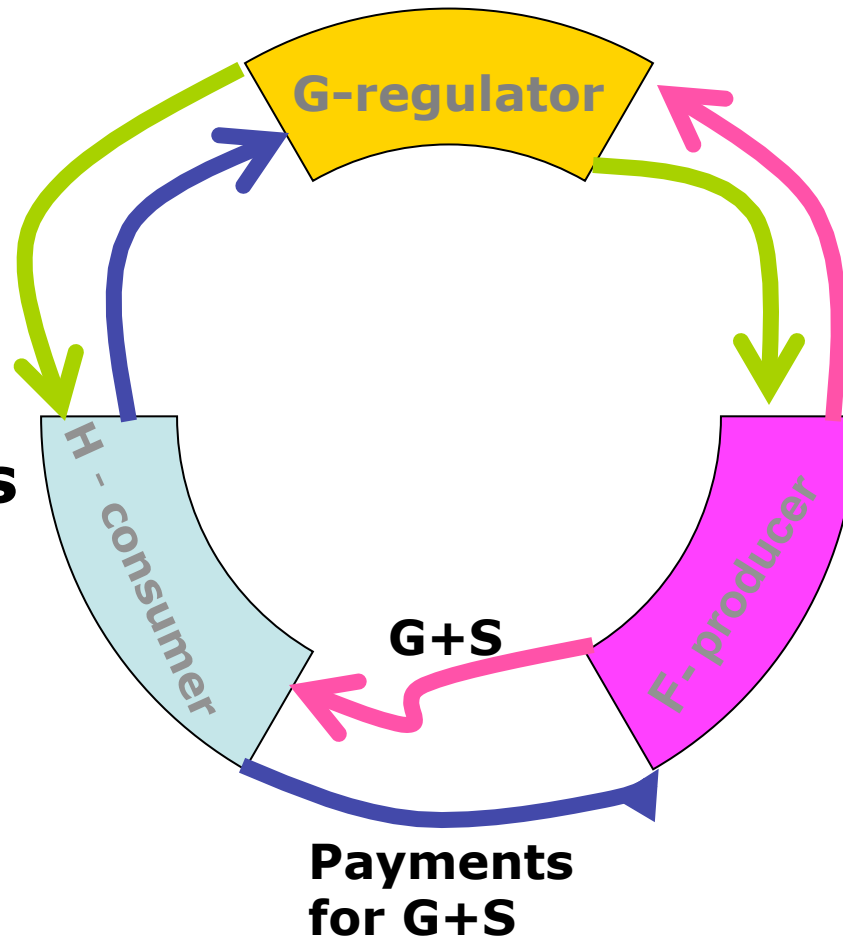
See blink p12  
See syllabus item 1

# Microeconomy-circular flow of income



# Circular Flow of Income

**Government provides public services (merit and public goods), redistributes wealth**



**Taxes: direct + indirect**

Note: a macroeconomic model is introduced in section 2. see web 302

# Circular Flow of Income

Note: resources = factors of production (capital, enterprise, land and labour)

## Circular Flow with Government

