

MIND MAP-Factors of Production

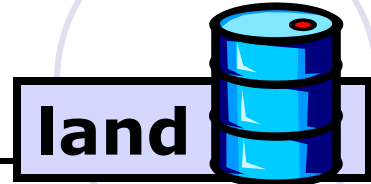
Economic theory- themes across the syllabus

4 Factors of Production



enterprise

capital



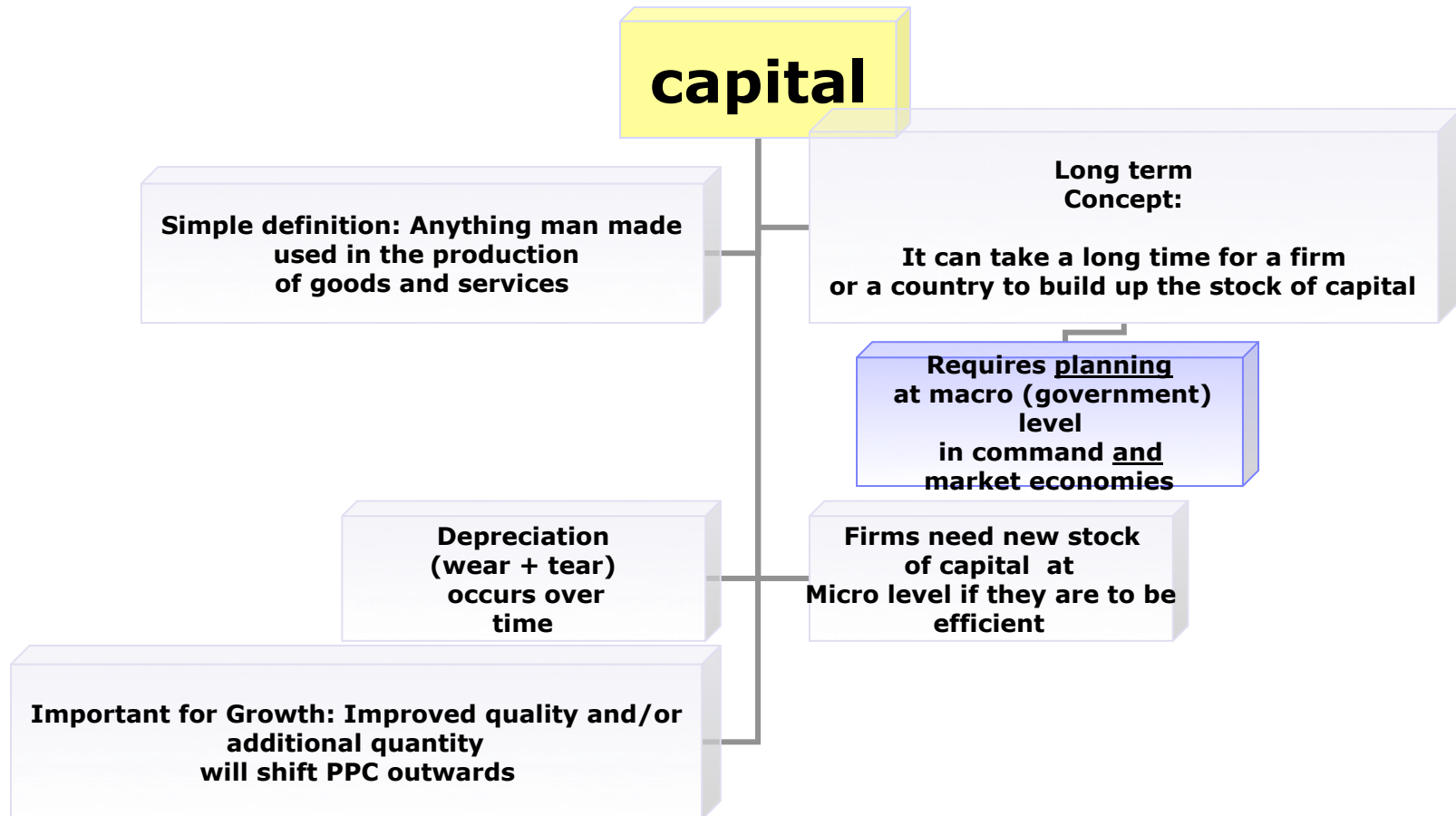
land

labour



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Webnote 007

Labour

- Specialisation
- Increased quantity +quality
- Shifts PPF outward

- Economies of scale(size):**
- Higher productivity
 - Lower unit cost

- Division of labour**
(Adam Smith)
- 'Wealth of Nations'
 - 18th C economist

Trade unions

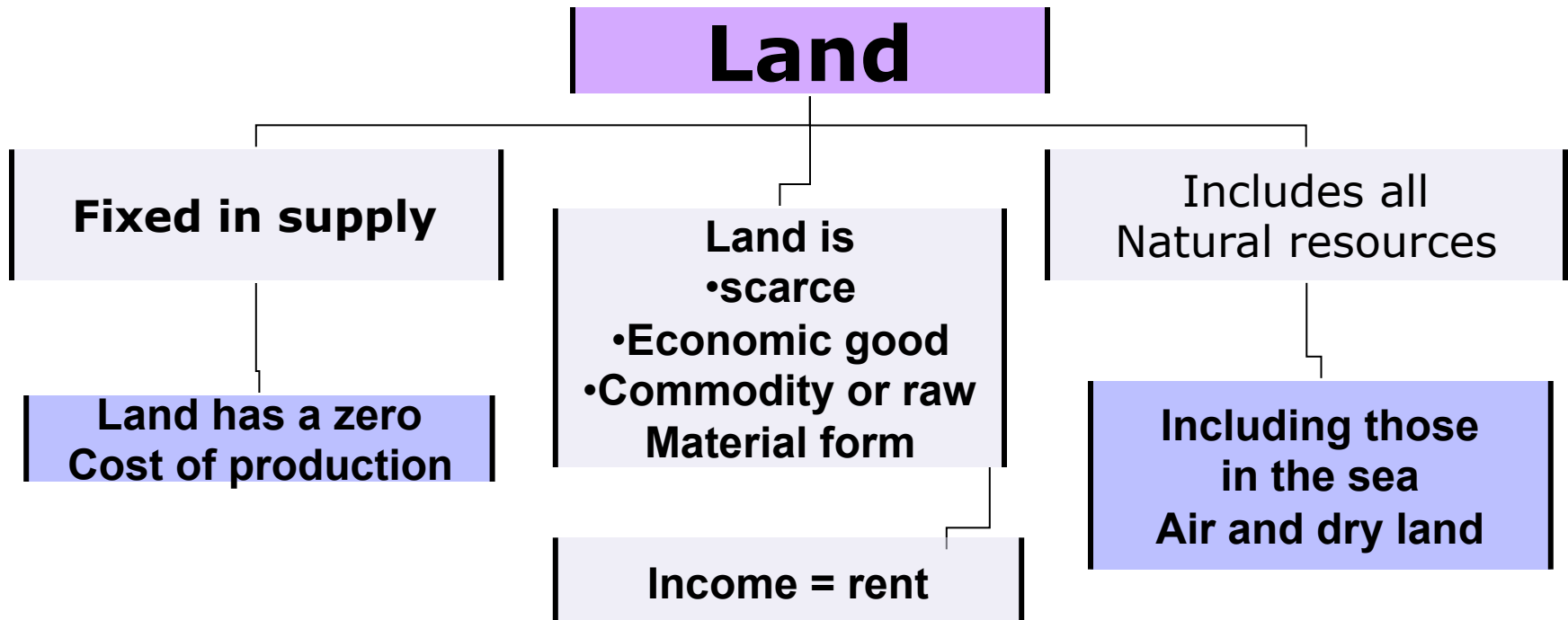
Conflict with employers

Trade unions

- Higher wages
 - Longer vacation
 - More benefits
 - Firms face higher costs
 - Higher prices
-
- Conflict often occurs between firms and unions:
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- The following factors improve the
 - Output/productivity of labour
 - Labour mobility
 - Division of labour
 - Education
 - Wages
 - Living conditions
 - capital

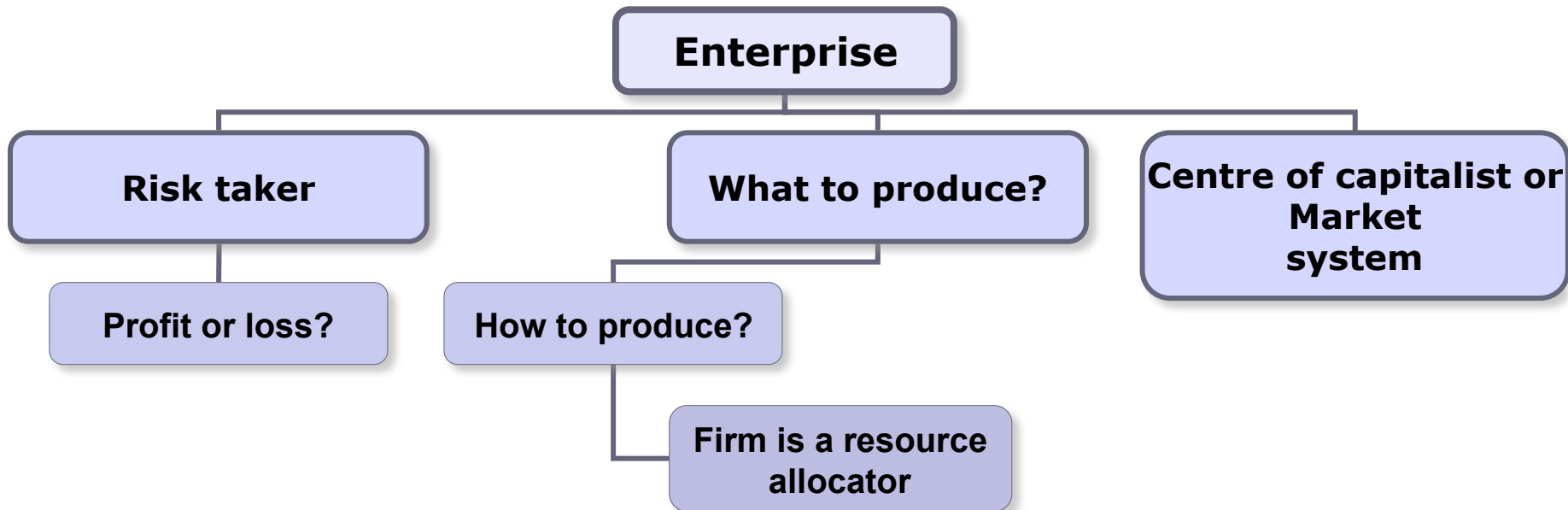
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- Bibliography
- Anderton, Economics a New Approach pp 274-288.

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