

Introduction to Economics

continued...

Growth

aka Economic Growth

= increase in national output within an economy during a time period of 12 months usually.

Development

When there's economic growth, is there also economic development in a country?

= qualitative variable put in terms of goals such as access to basic necessities, raising living standards, and having economic and social choices.

You can have growth w/o development, but you can't have development w/o growth.

Sustainable Development

= development that meets the needs of the present
without compromising the ability of future
generations to meet their own needs.

How is it possible to grow and develop and remain
sustainable?

“Plastic Bags Ban” article

Think About It...

Did you know that the top 20% of the world's people who live in the wealthiest nations consume 86% of the world's goods and services. The 20% who live in the poorest nations consume just 1.3%.



Why must goods must be rationed?

What are the major rationing systems
(economic systems)?

With the central issues of scarcity and opportunity costs, this leads to how choices are made.

WHAT must we produce?
HOW should we produce it?
FOR WHOM should we produce?

Have all human societies struggled to deal with these questions.

Economic Systems & Profiles

- * How does your system determine the three basic economic questions?
- * What are the advantages and disadvantages of your system?
- * Include two to three examples.
- * Include at least one picture.
- * Be ready to present.
- * Who is he?
- * Identify his ideology.
- * Which countries embraced his ideas?
- * Which countries still embrace his ideas today?
- * Include at least one picture
- * Be ready to present

Collaborative poster
2 people write and draw, 2 people read, 2 people present

Quick Review

- * How would you think that information technology has affected potential output for the global economy? Illustrate this with a PPF using capital goods v. consumer goods.
- * Explain the difference between how a market economy and a planned economy solve the basic economic problem.

BP in 'giant' new oil discovery

Oil giant BP says it has made a "giant" new oil discovery in its fields in the Gulf of Mexico.

BP is currently the largest producer of oil and gas in that area, with net production equivalent to more than 400,000 barrels of oil a day.

The company said it had drilled the well, dubbed Tiber, to a total depth of about 35,055ft (10,685m), making it one of the deepest wells drilled to date.

BP shares rose 4.3% to £5.41, making it the biggest gainer in the FTSE 100.

Potentially huge

Tiber represents BP's second material discovery in the Lower Tertiary area of the Gulf of Mexico, after Kaskida.

BP said the discovery, amounting to more than three billion barrels, would "support the continuing growth of our deepwater Gulf of Mexico business into the second half of the next decade".

The oil firm will now undertake surveys to determine the oil field's size and commercial potential.

The industry-wide definition for a "giant" discovery is at least 250 million barrels of oil "in place", or in other words, the likely total amount, BP spokeswoman Sheila Williams said.

But usually, only as much as 30% is extracted from the ground in practice, she said.

BP first started drilling in the Tiber well in March.

The oil firm controls 62% of the Tiber, along with 20% held by the Brazilian state-controlled company Petrobras and US firm ConocoPhillips with 18%.

It has nine projects in various stages of development in the Gulf of Mexico.