

Specialization

"Do what you do best and trade for the rest"

◆ Geographic

Definition – a region's production of a good or service that makes use of a particular resource

Advantages – Efficiency, Quality and Lower Cost Goods

Trade – increases ↑

Consumer – Get a greater variety of quality products for less

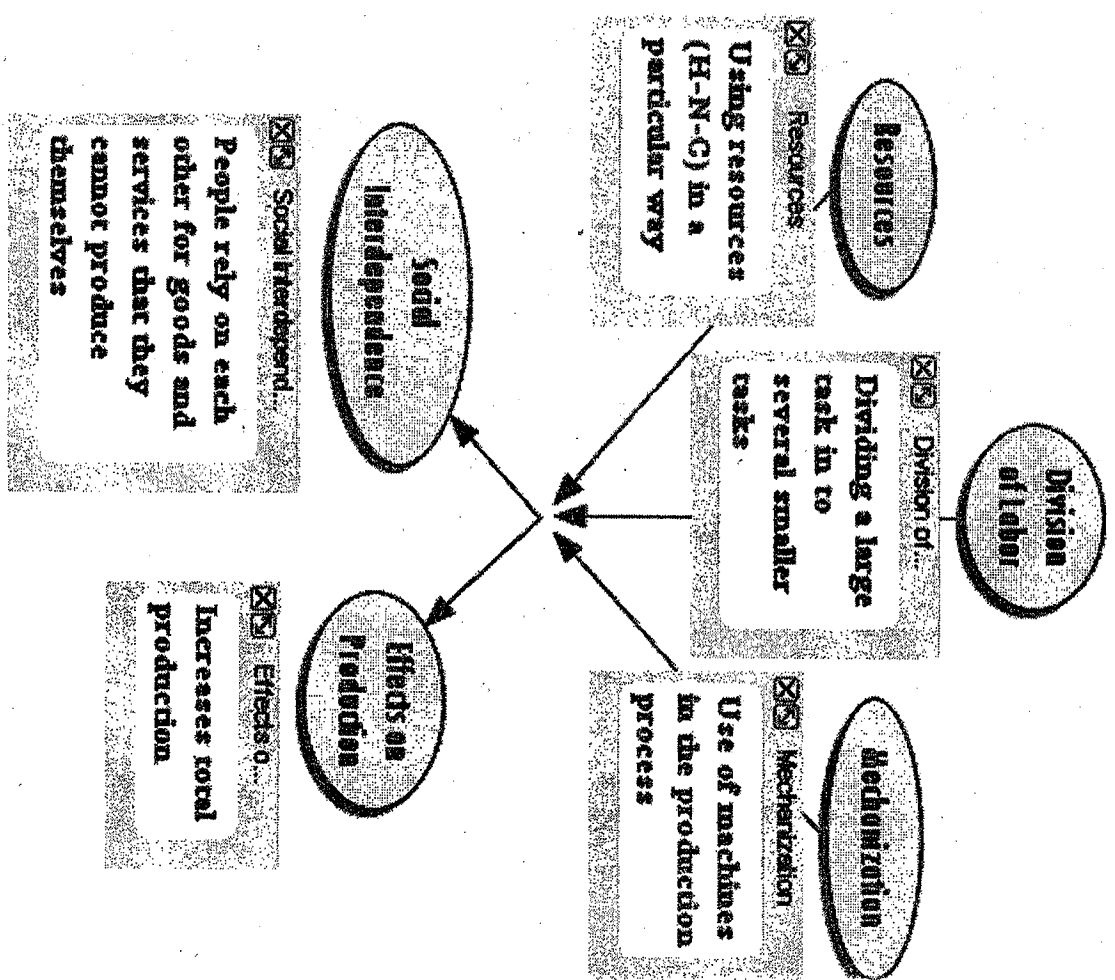
Economy – More efficient and productive economy

◆ Occupational

Definition – A person that concentrates on developing a particular skill

Advantages – More efficient, higher quality goods and services

Disadvantages – Tedious; more training required to be specialized



ECONOMIC GROWTH

Advantages For The Consumer

1. Improvements in standard of living
2. Keeps people employed and earning income
3. Makes more leisure time (????)
4. government gets more tax money for public goods

Disadvantages

1. Use of non-renewable resources
2. Generation of waste
3. Destruction of natural resources and environment
4. Uneven growth
 - ☆ Different groups and areas grow at different times and rates

Advantages For The Producer

1. Increases producer's profits

Third Party Costs \longleftrightarrow Externalities \longleftrightarrow Hidden Costs* \longleftrightarrow Social Costs

*A Hidden Cost is a cost not reflected in the market price of a good