Revision checklist

2 The factors of production

As you revise each topic in Chapter 2, complete this checklist. If, after testing yourself, you find that you don’t know a particular topic very well, or only some of it well, go back and revisit that topic.

|  | Revision | | Knowledge check | | |
| --- | --- | --- | --- | --- | --- |
| Concept/topic | Revised | Tested | I know this well | I know some of this | I don’t know this |
| Factors of production are the resources required to produce a good or service, namely land, labour, capital and enterprise. |  |  |  |  |  |
| The return on the four factors of production are rent (land), wages and salaries (labour), interest (capital) and profit (enterprise). Collectively, the rewards are called income. |  |  |  |  |  |
| The quantity and quality of factors of production will change if there is a change in the demand for and/or supply of land, labour, capital or enterprise. This could be due to changes in the costs of factors of production, government policies, new technologies, migration of labour, changes in educational levels of the labour force and even climatic conditions. |  |  |  |  |  |