



**Pakistan School**  
Kingdom of Bahrain

**A warm welcome to all the  
students to our virtual class.**

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We are going to start our second online economics class today. I hope we all will enjoy and learn.

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❖ Rules for class:

- 1) Be on time for all your classes.
- 2) Respect all the participants of the class.
- 3) Do not create any disturbance,
- 4) Pay attention to your teacher.
- 5) Raise hand if you have a question.
- 6) Entre into the class with your actual name.



# Chapter Three

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Subject Matter of Economics

# Brainstorming...

- Your sister is sick and your brother is crying for toys you have limited amount of money what will you prefer?



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# Lesson Objectives:

- By the end of this part of lesson, students will be able to

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1. Differentiate between Wants and needs.
  2. Define scarcity and role of scarcity in our life to determine the value of things.
  3. Define value and analyze its kinds.
  4. Analyze the factors responsible to create value in a commodity.

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# Comparison between Wants and Needs

**WANT**



Entertainment

**NEED**



Survival



# Needs vs. Wants

- Needs – what people must have to live.

Food  
Clothing  
Shelter

- Wants – the things we would like to have, but can live without.



# Needs and Wants

— Reduced To Its Simplest Terms —

As we each move through life, this list will change and grow. As a business person and author, you MUST know how and why your audience and customers define their own needs and wants. Your business's very survival depends on it - and so do your book sales.

## Needs

**"I MUST HAVE..."**

**THINGS I NEED TO LIVE  
AND SURVIVE:**

**CLOTHES  
SHELTER  
SHOES  
MEDICINE  
FOOD  
EDUCATION  
TRANSPORTATION  
BED  
BLANKET  
COAT  
FAMILY  
JOB**

## Wants

**"I DESIRE TO HAVE..."**

**THINGS I WOULD LIKE TO  
HAVE, BUT DON'T NEED TO  
LIVE AND SURVIVE:**

**FANCY SUITS  
4 BEDROOM HOUSE  
LEATHER SHOES  
POOL  
PHD DEGREE  
COMPUTER  
FERRARI  
FRIENDS  
A JOB WITH A TITLE  
A TELEVISION  
A P/T SIDE-BUSINESS**



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# NEEDS VS. WANTS



A **need** is something thought to be a necessity or essential items required for life

Examples of needs:

- Food
- Water
- Shelter

A **want** is something unnecessary but desired or items which increase the quality of living

Examples of wants:

- Car stereo
- MP3 player
- Designer clothes

# Difference between needs and wants.

## NEEDS

## VERSUS

## WANTS

Needs are necessities or essentials

Wants are desires

Essential for survival

Not essential for survival

Do not change over time

Change over time

Non-fulfilment can lead to adverse outcomes

Non-fulfilment may result in mental distress

All individuals have the same basic needs

Wants may differ according to different individuals