

Value in exchange.



**10 kg Rice**



**5 kg sugar**

# **Value in use:**

the actual satisfaction of the use of a commodity is called its value in use .all the economics goods possess the value in use.



# Example

- All the economic goods and services possess the value in use.



# **Factors Responsible to Create Value**



## Factors responsible to create value in a commodity

- There are three main factors to create value in a commodity . these are as follows:
- Utility: it is the wants satisfying power. It is an essential factor to create value in commodity. e.g.A pen and a book satisfy our academic wants.

Scarcity: the less of supply of goods and services than its demand. scarcity is another essential factor for the creation of value in a thing. e.g. we cannot get a pen, a book or a copy without paying money for them as they are scarce.

Transferability: If anything possesses value it should be transferable from one place to another either physically or nominally after its sale. e.g. car, radio, tv are transferable but a piece of land and a house is not so. In this case the ownership can be changed because it possesses a value.



# Closure

- Key points:
- Scaricity.
- Kinds of value.
- Value in use.
- Value inexchange.
- Factors to create value.
- Utility.
- Scarcity.
- Transferability.

# Home work.

Choose any three questions and write in your notebook:

- What do you meant by scarcity in economics?
- You have only 60 Bd in your pocket you have to pay rent of your house and you want buy a mobile which one you prefer first and why?
- Define value and write the names of its kinds.
- Write the names of factors that create value in commodity



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Thank you.  
See you in the  
next lesson.