

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



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

- 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

Subject Matter of Economics

Lesson Objectives:

- By the end of this part of lesson, students will be able to:
- 1. Define Wants and Categorized the Characteristics of Wants.
- 2. Classified the different kinds of Wants.
- 3. Differentiate between Wants and needs.

Brain storming.



Financial Literacy - Making Choices - Needs or Wants

Your family is going on a two day camping trip to a spot with no shops.

You have \$150 to buy the goods your family NEEDS (food, clothes, shelter). You must also save \$20 for the trip home.

Make the right choices for 10 smileys







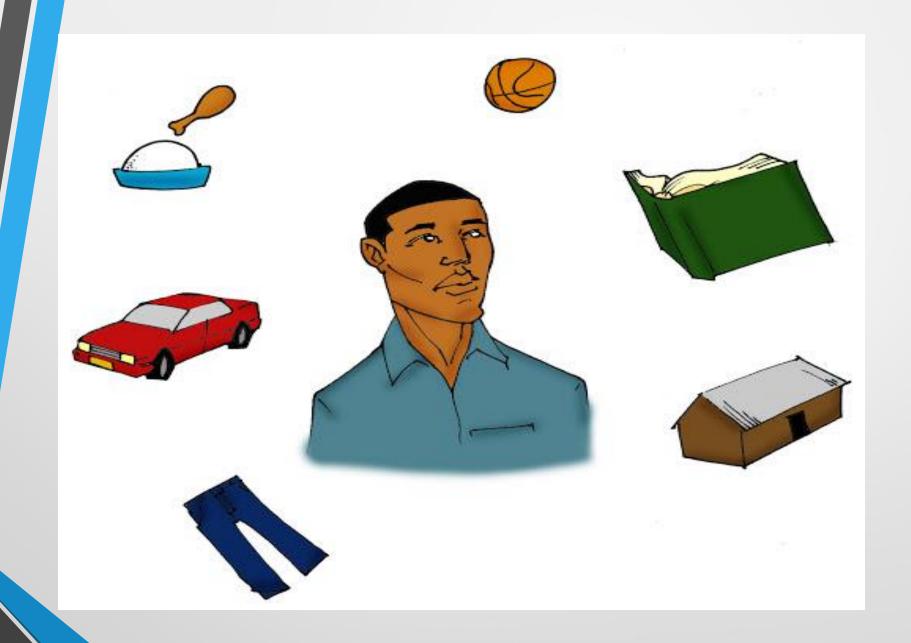




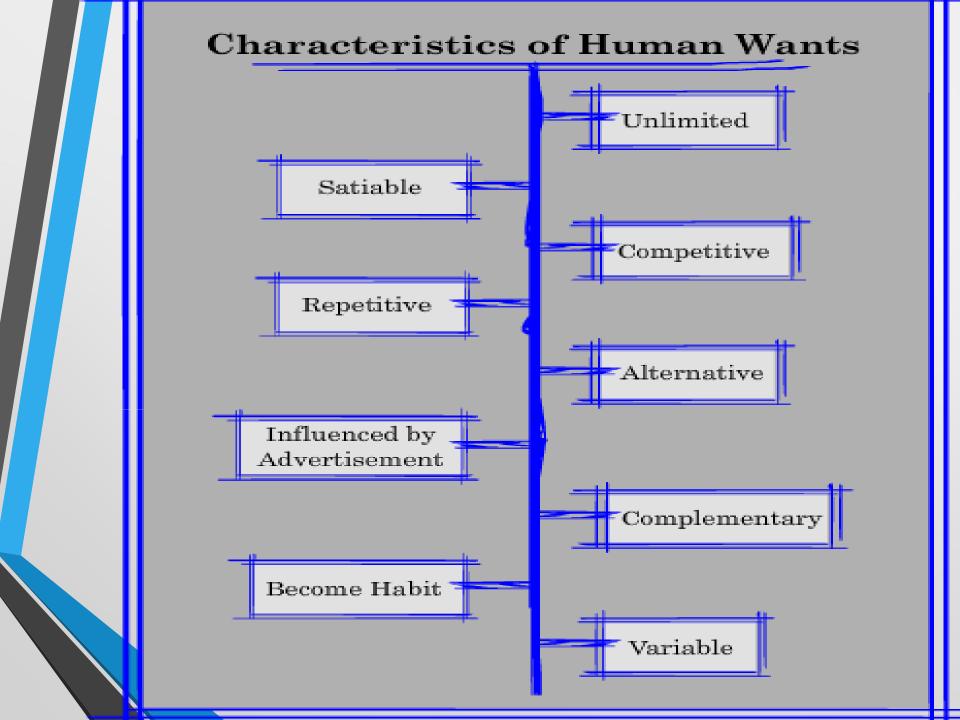


Definition of Wants





Characteristics of Human Wants



Characteristics of Wants

- 1. Wants are unlimited
- 2. Every want is Satiable
- 3. Wants are competitive
- 4. Wants are complementary
- Wants are alternative
- 6. Wants vary with time, place, and person

Characteristics of wants.

- Wants are unlimited.
- Wants recur.
- Wants are competitive.
- Wants are alternative.
- Wants are satiable.
- Wants are complimentary.

Wants Are Unlimited

Unlimited wants essentially mean that people never get enough, that there is always something else that they would like to have. When combined with limited resources, unlimited wants result in the fundamental problem of scarcity.



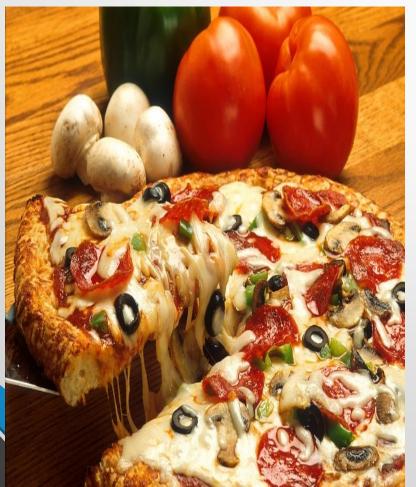
Want is Satiable

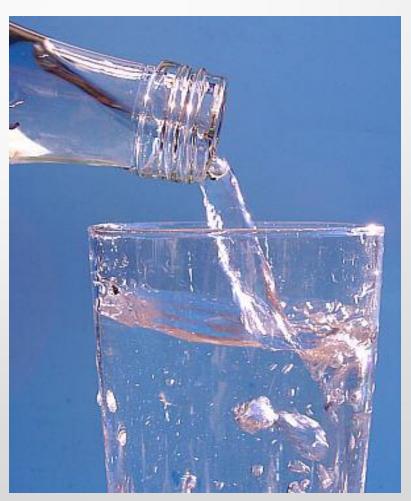
It can be satisfied sooner or later, if one tries for it and he has the resources to satisfy it. For example, a person may feel hungry or thirsty. This want may be satisfied by taking some food or water.

Example

We eat food to satisfy our Hunger

Take water for the satisfaction of Thirst





Wants are Recur

There is recurrence of the wants of basic necessities like food and clothing. This may arise in case of comforts and luxuries. For example, the want for food cannot be satisfied once for all. ... Satisfaction of a particular want at any point does not mean the end of it.



Wants are Competitive

A person has several wants at the same time. But the means to satisfy them are limited. Therefore, he has to choose between several wants and arrange them in order of priority. He satisfies urgent wants and postpones many others to be satisfied in future.

Example





Wants are alternative

• Many wants can be satisfied by alternative methods e.g. The want for food can be satisfied by eating rice, fruits, meat and bread. Similarly we may travel by bus, motor-cycle, bicycle or by train.

Example











Wants are complimentary

 Simultaneous consumption of different goods increases the satisfaction of each other. They complement one another. Sometimes a thing by itself is useless without the presence of some other things.

Substitute Goods

Different brands and models







Buzzle.com

EXAMPLES OF COMPLEMENTARY GOODS





B

O Study.com

Determinants of Demand / Factors Affecting Demand

b) Complementary Goods: Complementary goods are those which complete the demand for each other, and therefore, demanded together.

For Example Pen and ink, Car and Petrol.

In case of complementary goods, a fall in the price of one causes increases in the demand for the other and rise in the price of one causes decrease in the demand for others.



Complementary & Substitute Goods



nali Sinha Roy



Other Fruit

Tomoloes

loccol.

Other veggles

Lettuce

Carrets



Kinds of Wants

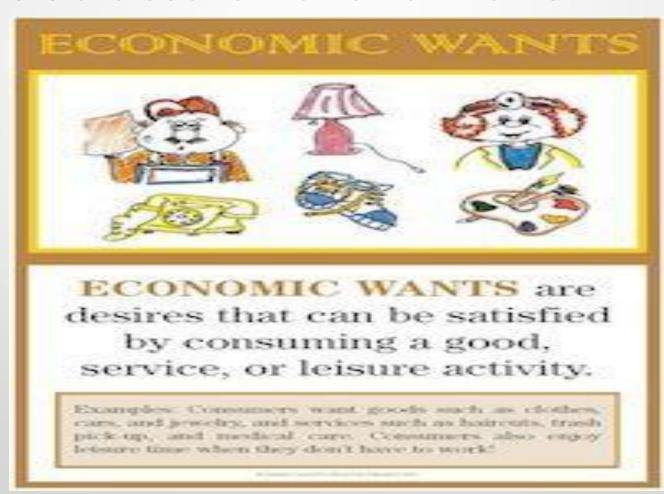
- Economics Wants
- Non- Economics Wants

Economic Wants

Economic wants are desires that can be satisfied by consuming a good, service. ... People also have different levels of income to purchase economic wants. Obviously, people with higher levels of income can purchase more goods and services. Our Economic activities are meant for earning money, with the aim to satisfy our Wants.

Example

And the wants that can be satisfied with goods and services of any kind are economic wants. Like for example food, shelter, clothing, etc are economic human wants.



Non-Economic Wants

- Non-economic activity is an activity performed gladly, with the aim of providing services to others without any regard to monetary gain.
 - ... Non-economic activities refer to a human activity for the welfare of society. Example
- Mother's love, affection, sympathy or patriotism.

$Economic\ Activity$ v/s $Non\ Economic\ Activity$

Difference between Economic and Non-Economic Wants

Economic Wants

- 1. Economic activities lead to an increase in the personal income of the individual.
- 2. Economic activities contribute to the flow of goods and services in an economy.
- 3. These add value to the national income.

Non-Economic Wants

- 1. Non economic activities do not increase the personal income of an individual.
- 2. Non economic activities do not contribute to the flow of goods and services in an economy.
- 3. These do not add any value to the national income.

EXAMPLES



ECONOMIC ACTIVITIES OF COMMERCIAL ACTIVITIES





shutterstock.com • 460041370

NON- ECONOMIC ACTIVITIES OR NON- COMMERCIAL ACTIVITIES



Wants

- economic wants
 - a desire for material goods and services
 - are the basis of an economy
 - clothing
 - housing
 - cars
- noneconomic wants
 - nonmaterial things
 - sunshine
 - fresh air
 - Happiness
 - friendship

Classification of Wants

CLASSIFICATION OF WANTS



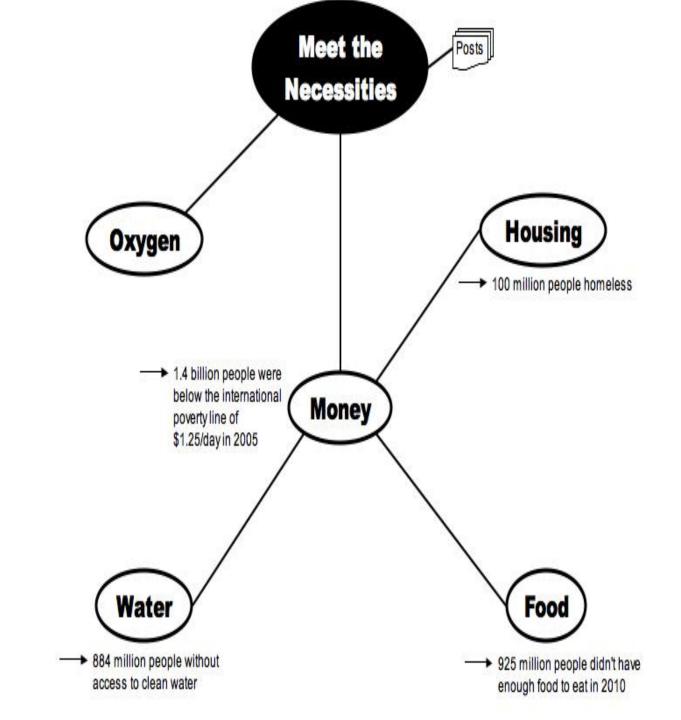
Significance of Classification of Wants

- The classification of goods and services into necessaries, comforts and luxuries are only relative in their concepts. They are not absolute concepts. What is comfort to one may be necessary to another and a luxury to a third man.
- These classifications depends on the income of a person, his social status, his tastes and preferences.

Necessities

- Necessities are those items or services you absolutely must buy with your income.
- Necessities include basic food, clothing, shelter, heat, and medical care.
- Other necessities relate to your daily obligations.





Comforts

Comforts: In comforts are included those goods which make our lives comfortable "or easy or their use provides facilities in life. After satisfying our wants for necessaries of life, whatever money remains with us, is spent on comforts". People use things of comfort to maintain or increase efficiency.

COMFORT FOODS AROUND THE WORLD

LEBANON

(herbed flatbread)

POLAND

















ICELAND













GHANA





Luxuries

• In economics, a luxury good (or upmarket good) is a good for which demand increases more than proportionally as income rises, so that expenditures on the good become a greater proportion of overall spending. Luxury goods are in contrast to necessity goods, where demand increases proportionally less than income.

Example









Financial Literacy - Making Choices - Needs or Wants

Your family is going on a two day camping trip to a spot with no shops.

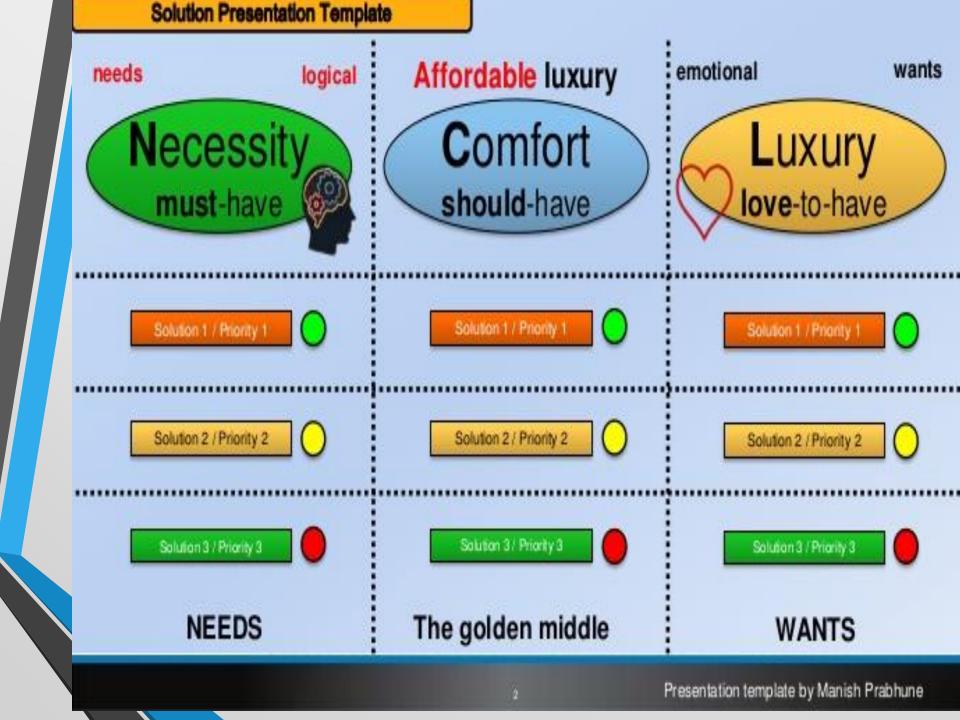
You have \$150 to buy the goods your family NEEDS (food, clothes, shelter). You must also save \$20 for the trip home.

Make the right choices for 10 smileys









Comparison between Wants and Needs



NEED



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..."

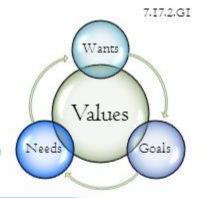
THINGS I WOULD LIKE TO HAVE, BUT DON'T NEED TO LIVE AND SURVIVE:

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



© 2019 Joseph C. Kunz, Jr. KunzOnPublishing.com #bookmarketing #selfpublishing

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





Assessment



Wants vs. Needs



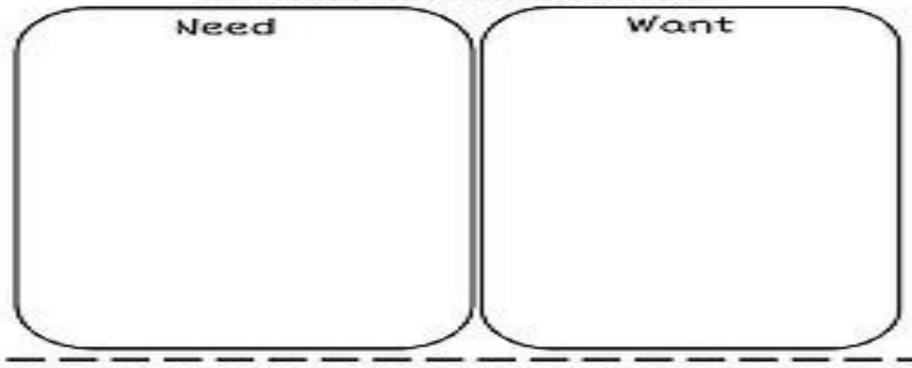
restings. Rent and word of the bottom of the page. Setupper of the a word or a read. Out, mot and glas the word this the surrest ortaging.

WANTS	NEEDS	

mik	oell phone	medicine
shoes	shirt	porte
house	cod	blanket
jacket	video game	water
aods	cor-	воф
	shoes house jaaket	shoes shirt house cod: jdaket video game

Needs vs. Wants Worksheet

Cut out the pictures on the dotted line. Decide whether the item is a need or a want. Glue the item in the correct box.



















Thank you. See you in the next lesson.