

2. NATIONAL ECONOMY



INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

Výuka jazyků
prostřednictvím ICT

CZ.1.07/1.1.10/03.0026

NATIONAL ECONOMY (NE)

- economic activities within a country related to the production, distribution and consumption of goods and services in which all companies, citizens and the state are engaged.
- NE is affected by:
 - natural resources
 - national wealth
 - structure of population
 - political and economical systems

STRUCTURE OF NE

- Sectors in the NE
- Economic decision-makers
- Factors that affect performance of national economy
- Economic indicators



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SECTORS OF NE

Based on phases in the production chain:

- primary, secondary, tertiary, quaternary

Based on ownership:

- public, private, voluntary

Based on profitability:

- profit-making, non-profit, foundations



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ECONOMIC DECISION-MAKERS

- Households – demand goods and services, supply labour
- Companies – provide goods and services
- State – establishes rules, produces public goods, distributes income
- “ The rest of the world“ – affects all activities

FACTORS OF PRODUCTION

- Land (and natural resources) – used for farming and building
- Labour – human time spent in production
- Capital – machines, roads, computers, etc.
- Know-how

ECONOMIC MEASURES

Gross domestic product (GDP)

- total market value of all final goods and services within a country, usually in one year

National income (NI)

- total of all incomes of residents of a nation consisting of wages, salaries, profits, rents and interest