NL Studies 2205

Ready? Let’s go!
Economics & Culture 1.4

• **Economics** can be defined as the way we use our resources to meet our needs and wants.

**Economics**

fundamental to daily life = strong influence on culture

Think of some examples!
Subsistence Economy

Subsistence Economy

A system in which people are working to meet their basic needs. Subsistence economy focuses on a "natural" way of living.
Subsistence Economy
Market Economy

- In a Market Economy, everyone uses currency and the prices of goods are set by the marketplace.

Consumer choice + Competition

Supply and Demand (Page 31 - Figure 1.24)
Supply v.s. Demand

Supply and Demand

- **Demand**
- **Supply**
- **Surplus**
- **Shortage**

**Equilibrium** at $P^*$ and $Q^*$.
Economics & Lifestyle

• **Wealth** = what would you do? Read Quotes on page 32 and discuss what is meant by each.
• What is your definition of wealth?
Scarcity

Regardless of level of income, we sometimes don’t have enough money to meet our needs and wants.

What are needs and wants?
Opportunity Cost & Culture

Opportunity Cost
- Having to make a decision as to which product you will buy when funds are limited!

Alternatives to supplement this:
- Cutting firewood
- Home construction
Relation to Culture

• Most people engage in “traditional” activities today because it has become part of their culture.

• They don’t need to do it to meet basic needs
Subsistence Living
Still part of our Culture!

- Subsistence Living today...you bet!
  - Food Fishery
  - Berry Picking
  - Moose Hunting
  - Mat Hooking
Case Study #1

- Measuring Income (Page 33 - Figure 1.26)

- Let’s explore the relationship between population and prosperity in “this place” to see what we can learn about economics and culture shall we?!
Case Study #1

- Read Measuring Income (Page 33 - Figure 1.26)

Q1)  
   a) What patterns do you notice about the distribution of income within the province?
   b) What might account for the patterns noted above.

Q2)  
   a) Are there exceptions to the pattern noticed in Q1) above?
   B) What might account for this?
Questions for Discussion

• Look at page 33 of our text, and answer the three questions on the handout sheet provided.

• Discuss your answers with a partner and be prepared to share with the class!