

Using Resources

Lesson

2

The United States has a **free enterprise** economy. In a free enterprise economy, people are free to start and run their own businesses with only limited control by government. North Carolina has many different businesses. However, all businesses depend on the same types of resources. **How will reading this lesson help you learn more about how North Carolinians use resources?**

FURNITURE BUSINESS IN
THE PIEDMONT REGION



NORTH CAROLINA
STANDARD COURSE OF STUDY

- 6.03 Categorize the state's resources as natural, human, or capital.
- 6.04 Assess how the state's natural resources are being used.

Types of Resources

1 Scan the text in this section. List the three types of resources that make up the factors of production.

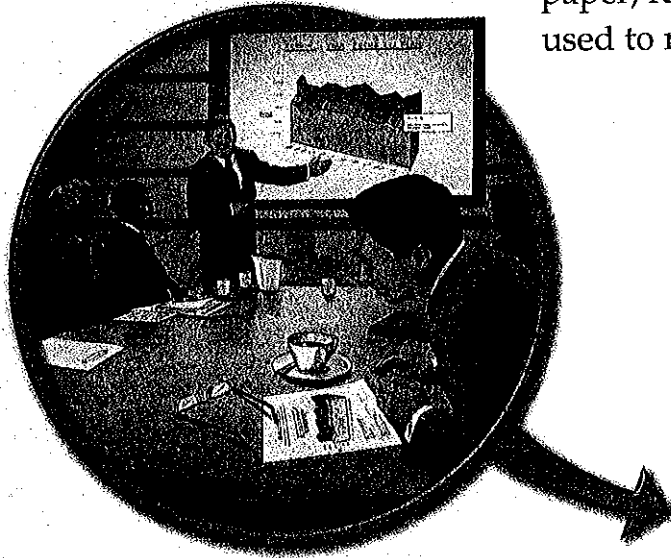
2 Study the illustration. Circle the natural resource that is used in making paper.

In a free enterprise economy, entrepreneurs are free to start new businesses. An **entrepreneur** (ahn•truh•pruh•NER) is a person who organizes and runs a business. Entrepreneurs often come up with better ways to do things. They provide goods and services and create jobs for workers.

To make products and provide services, businesses need three types of resources. These three types of resources are called the *factors of production*.

The Factors of Production

One type of resource that businesses need is natural resources. Natural resources supply businesses with raw materials such as minerals, plants, and water. *Raw materials* are used to make products. For example, wood is used in making paper, furniture, and lumber. Rushing water is used to make hydroelectricity.



ENTREPRENEURS make business plans.

Factors of Production



WOOD is cut and taken to paper mills.

Businesses also need human resources. **Human resources** are the workers who make goods or provide services. Some gather raw materials to make products. Others make products from raw materials or deliver products to markets. Still others oversee workers or help train them. Many workers today need special training to operate computers and other machinery.

Capital resources are the tools, machines, and buildings needed to run a business. These include the machines used to make a product. Airplanes, boats, trains, and trucks that deliver products are also capital resources.

Businesses also use *capital*, or money. Businesses need money to buy capital resources and to pay workers. Many business leaders use their own money to start and run companies.

Banks also lend money to businesses. Today, Charlotte is the second-leading finance center in the United States. *Finance* is the use or management of money.

TextWork

③ What is the difference between a *human resource* and a *capital resource*?

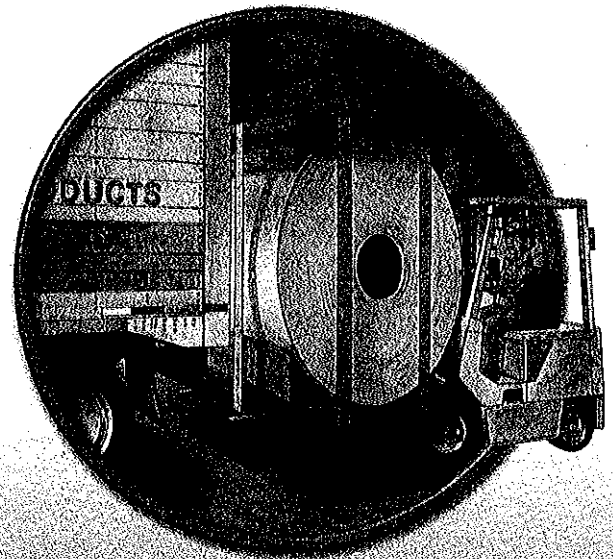
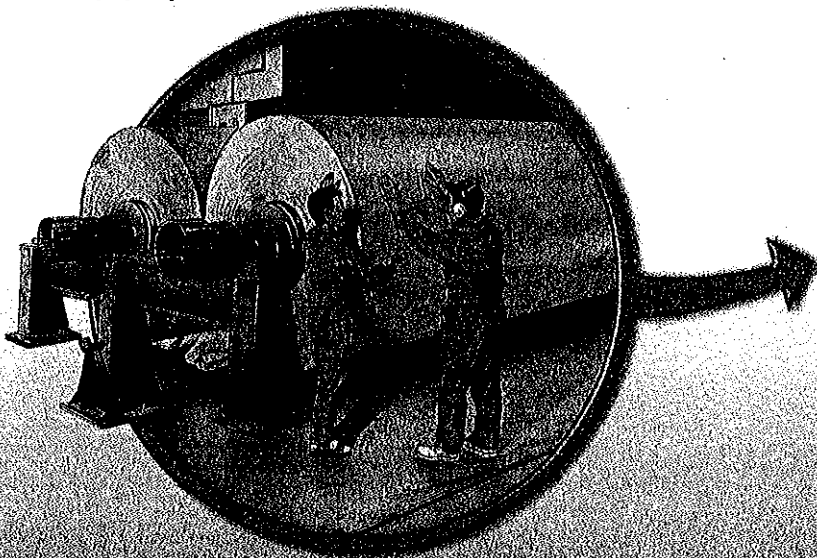
④ Categorize the following resources as natural, human, or capital.

Workers in a bookstore:

A machine used to make textiles:

Granite used for building:

WORKERS use machines to process wood into paper products.



TRUCKS deliver rolls of paper to stores and other businesses.

Using Natural Resources

5 Scan the text on this page.
List two effects of air pollution.

1. _____

2. _____

When people use natural resources, they often change the environment. These changes can have positive and negative effects.

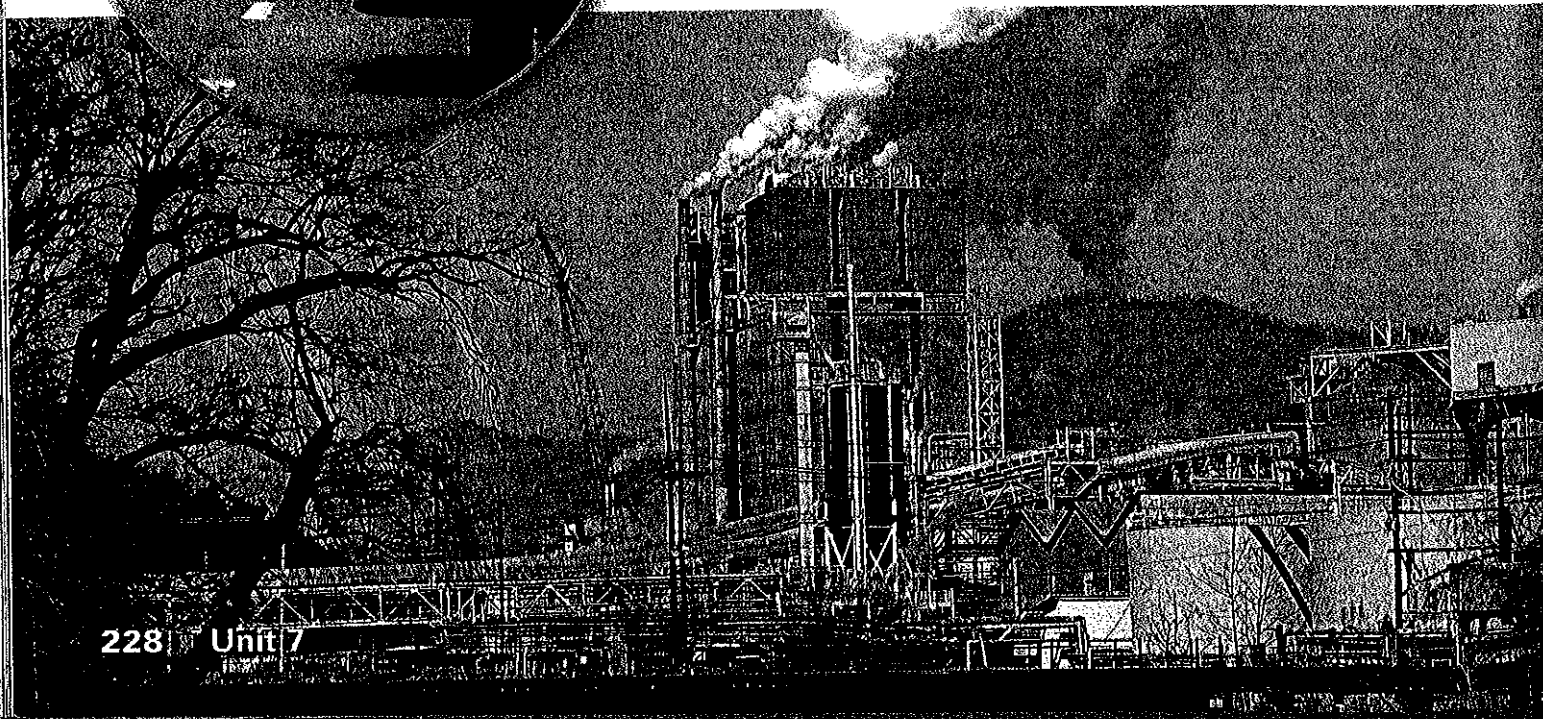
When factories in North Carolina make products, they create jobs and help businesses grow. However, smoke from some factories and power plants causes air pollution. Some factories and power plants also create water pollution.

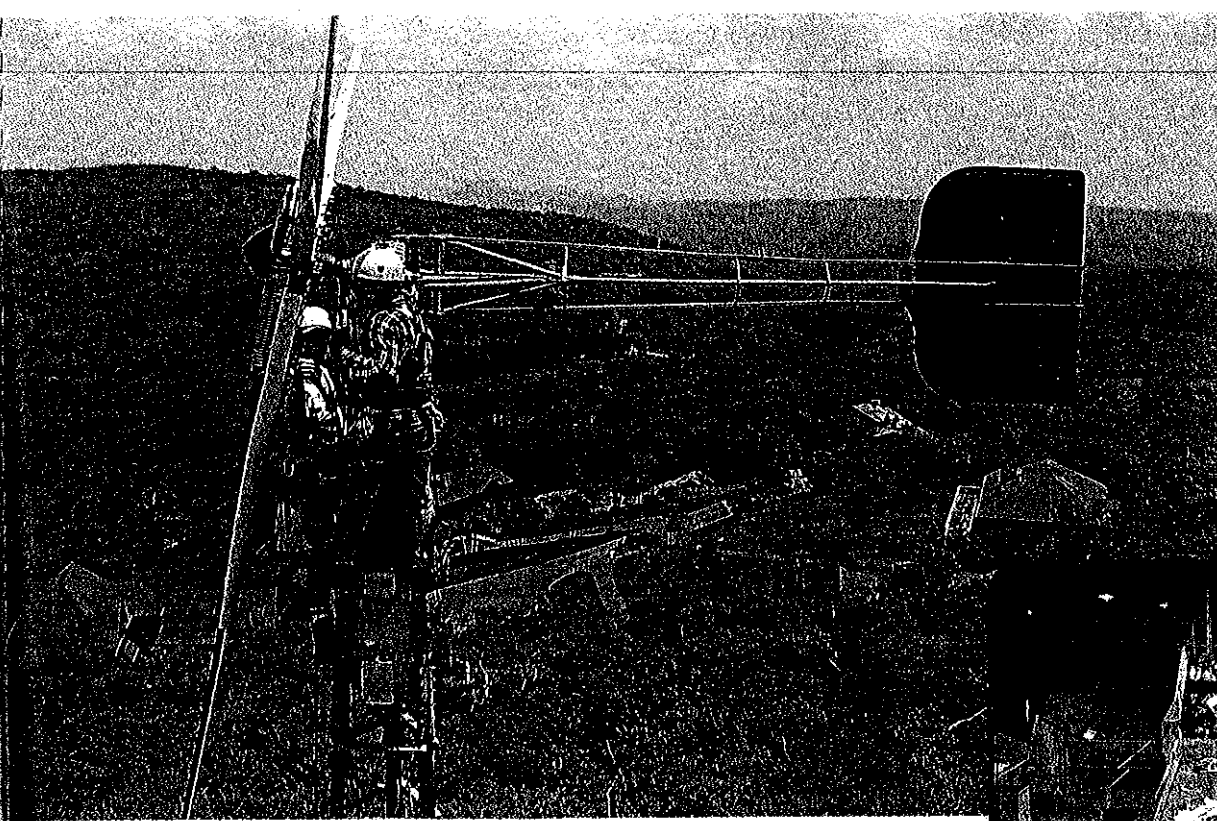
Pollution is anything that makes a natural resource dirty or unsafe to use.

Air pollution gets trapped in the valleys between mountains, causing smog. *Smog* is a mixture of smoke and fog. Air pollution also causes *haze*, or dust and smoke in the air. Haze makes it hard to see for long distances in some mountain areas. It is also unsafe for people to breathe polluted air.

Another source of pollution is waste from trash. As North Carolina grows, many of the state's landfills are filling up. A *landfill* is a place where trash is buried. Unburied trash causes pollution.

► **EXHAUST** from automobiles (left) and smoke and steam from factories (below) add to air pollution.





► **WINDMILLS**
(left) help people conserve energy. Recycling centers (below) help people conserve natural resources.

Today, North Carolinians are working to use natural resources wisely. Many businesses now use machines that create less pollution. They are also more careful when they collect natural resources. For example, most companies that use the forests in the state now plant new trees when they cut down older trees. Other companies are looking for safer ways to mine minerals.

Many North Carolinians also **recycle**, or reuse products. Recycling helps people conserve resources. Recycling newspapers and magazines, for example, conserves trees. Recycling metal cans and glass bottles conserves mineral resources. Recycling tires and some kinds of plastics conserves oil.

North Carolina's government also works to use resources wisely and to manage growth. The government encourages people and businesses to use renewable energy sources such as hydroelectricity. The state's government also works with nearby states to find ways to clean up the air and water that they share.



TextWork

6 Why do you think it is important for North Carolina to work with other states to solve pollution and other problems?

1. **SUMMARIZE** What three kinds of resources do all businesses need?

2. Write a sentence describing an entrepreneur.

3. What are some steps that people take to protect North Carolina's environment?

Circle the letter of the correct answer.

4. Which kind of resource is a factory building?

- A agricultural
- B natural
- C capital
- D human

5. Which of these activities helps conserve trees?

- A recycling cans
- B recycling tires
- C recycling newspapers
- D recycling glass

MATCHING Draw a line connecting each factor of production with the example on the right.

6. natural resource

tools

7. human resource

workers

8. capital resource

wood

writing



Write a Business Plan Imagine you are starting a business in your community. Write a business plan describing your business and the types of resources you will need.