

Goods and services are produced by using productive resources that economists call factors of production. Labor includes the physical and mental efforts of all the people who work on farms and construction sites and in factories, shops, and offices. Land and raw materials: Inputs into production that are provided by nature: e.g. unimproved land and mineral deposits in the ground. Factors of production are grouped into four categories: Land, Labor, Capital, Entrepreneurship. Labor earns wages. Land earns rent.????