Exercise 2: Complete the passage by using the word from the box.

sources	financial	Produce	outputs	factor
cloud	inputs	Capital	wind	resources
service	concept	employed	finance	purposes

Economists refer to land, labor, and capital as factors of production. In simple terms, factors of production are the (1)_____used in the production process.

Land is arguably the densest factor of production. It contains the land for agricultural or building (2)_____, or mining, for example. Land, however, also includes all natural(3) _____such as oil and gas, air, water, and even (4)_____.

Labor is a (5)_____ of production that refers to people and their work. When someone is (6)_____producing a good or a service, their labor is an input into the production process. All the jobs and professions you can think about are classified as labor, from miners to cooks, to lawyers, to writers.

Capital as a factor of production includes items like machinery, equipment, and tools utilized to (7)_____the final good or (8)_____. Do not confuse it with financial (9)_____- money used to (10)_____a particular project or a venture. The caveat with this factor of production is that it has to be manufactured before it can be used as an input into the production process.

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