

ECONOMICS

The functions of an economy depend largely on the goods and services that are created by the **producers**. In any economy, the **consumers** are the people who buy or exchange money or goods, and without the demand or need for goods the economy would be unsuccessful. Globally, there are different kinds of markets in which an economy can function. Some markets are regulated by government while others are determined by the buyer and seller. Either way, there is a need for interaction between the two.

Some economic businesses are able to lend and insure money to people in order for them to buy more goods. **Banks** are the most outstanding examples of this type of institution.



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Entrepreneurs, or people who start a business venture, often need the capital to start their new business. Many entrepreneurs rely on borrowing money on credit in order to eventually see a profit. The difference in the cost of retail sale and the cost of production is the meaning of profit for a business, and is also the goal of producers and businesses.



Consumers play a large role in the economy. While goods and services will always be available, without the consumer there would be no **price competition**. Laws were designed to protect the consumer and keep businesses from profiting from the exploitation of a customer, one example being the requirement of nutritional labels on foods.



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