

# Lesson 1

## GOODS & SERVICES

*Your Good, Your Service*

### OVERVIEW:

One of the most basic economic concepts is that of providing and purchasing goods and services. The money earned by individuals is usually spent on buying a good or contracting for a service.

A **good** is defined as something that you can use or consume, like food or clothing. You purchase a good with the intention to use it just once or many times over.

A **service** is defined as a task that someone performs for you, like cutting the lawn, delivering furniture or providing financial advice or accounting services such as recommending a college savings plan or preparing a tax return. A service is not a tangible item per se, but an action performed by someone you pay to assist you in accomplishing a task or reaching a goal.

### ACTIVITY:

List 3 **GOODS**:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

List 3 **SERVICES**:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Using the definitions above, identify the items listed below as a **good** or **service**.

- |             |       |                        |       |
|-------------|-------|------------------------|-------|
| 1. Haircut  | _____ | 7. Soda Pop            | _____ |
| 2. Pizza    | _____ | 8. Cell Phone          | _____ |
| 3. DVD      | _____ | 9. Your Education      | _____ |
| 4. Jewelry  | _____ | 10. Tennis Lessons     | _____ |
| 5. Jeans    | _____ | 11. Financial Planning | _____ |
| 6. Computer | _____ | 12. Digital Camera     | _____ |