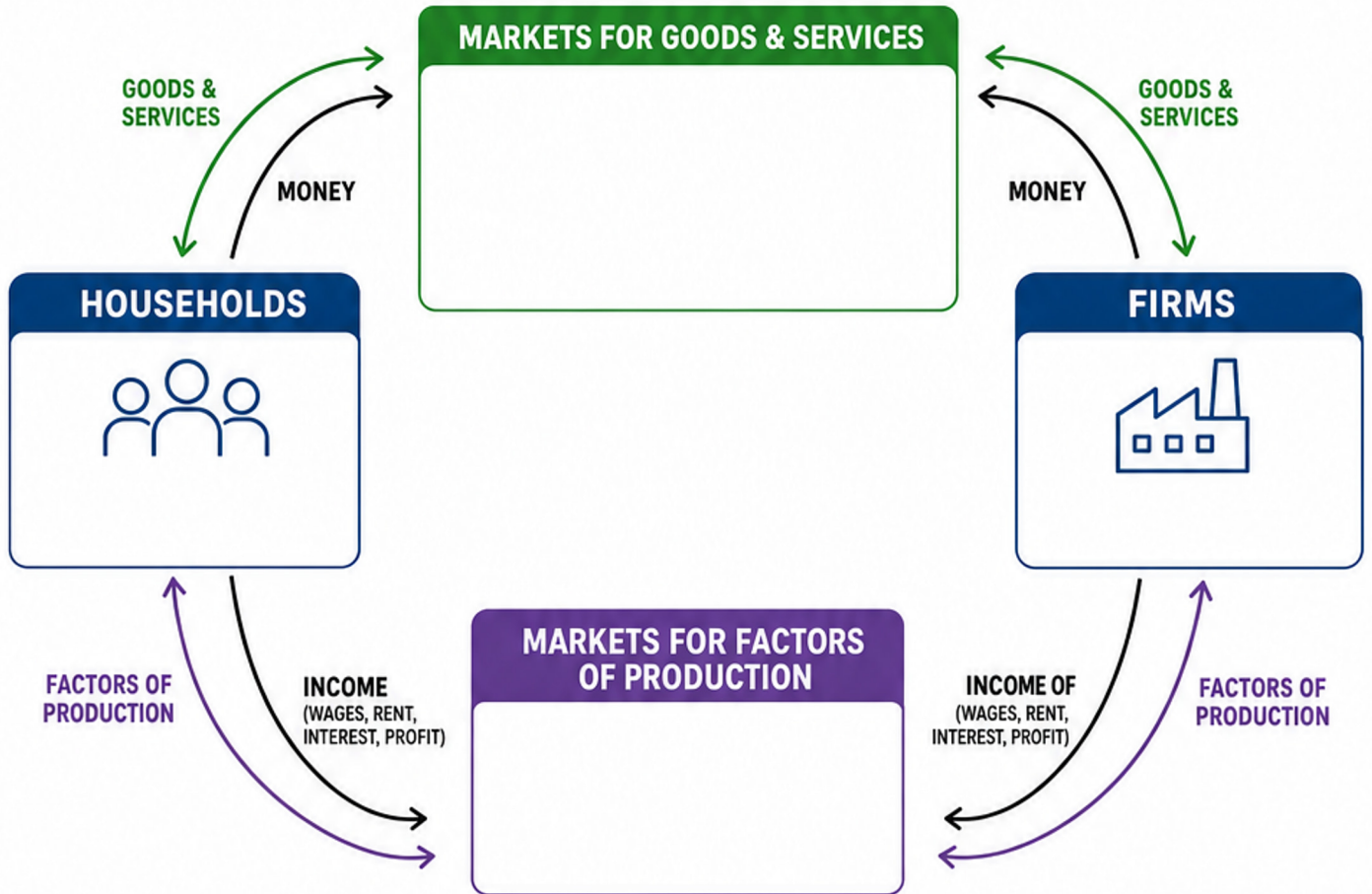


ECONOMICS CIRCULAR FLOW MAT

GOODS, SERVICES AND MONEY FLOW



KEY VOCABULARY	
Households	
Firms	
Markets for Goods & Services	
Markets for Factors of Production	
Goods & Services	
Factors of Production	
Income	
Money Flow	
Real Flow	

EXAMPLES
A good:
A service:
A factor of production:
An income payment:

SCENARIO / NOTES

CHECK YOUR UNDERSTANDING

1. Give an example of a good and a service that households purchase from firms.
2. Name two factors of production supplied by households to firms.
3. What income do households receive in return for supplying factors of production?
4. Why is the circular flow important to a market economy?

DIAGRAM CHALLENGE

Add arrows and labels to show the flows in the circular flow diagram.

