

CAPITAL

Capital is a man-made tool used in producing other goods and services. It refers to real money or physical goods.

When combined with other factors of production, it produces goods and services. For example cash, equipment, vehicles, raw materials and so on

TYPES OF CAPITAL

1. Fixed capital: these are assets that can last for a very long time that it does not change its form in the process of production. For example land, building, tools, vehicles and so on

2. Circulatory or working capital: these consist of capital goods which change its form in the process of

production for example raw materials, water, fuel and so on

3. Current or liquid capital : this is capital used for day to day running of productive activities for example money

4. Social capital : these assets are provided by the government to aid production for example amenities like electricity , water telephone,

CHARACTERISTICS OF CAPITAL

1. Capital takes different forms for example money, securities, seedlings, plant and so on
2. It may be in a fixed form for example factory building , machines or raw materials and cash at hand
3. It takes time to be accumulated

ENTERPRENEUR

This is a factor of production that co-ordinates, organize other factors of production (land labour capital) in order to produce goods and services in order to produce goods and services. The reward for entrepreneur is profit.

CHARACTERISTICS OF ENTREPRENEUR

1. He bears the risk of the business
2. He organizes resources needed for production of goods and services
3. He makes decision while producing to bring better result
4. He control other factors of production

Assignment

With the aid of a diagram explain production is
production possibility curve