

Entrepreneurship as a Factor of Production

Chapter 7: Factors of Production · Topic 2

Key Concept

An entrepreneur identifies business opportunities, takes risks, and organises the other factors of production - land, labour, and capital - to start and run a successful venture.

Entrepreneurs often innovate, creating new products, services, or methods of production, driving economic growth and creating job opportunities for others.

Entrepreneurship involves risk-taking, as new businesses can fail, and entrepreneurs must be prepared to learn from failures and adapt their strategies.

Successful entrepreneurship contributes significantly to a country's economy, fostering innovation, employment, and overall economic development.

Quick Revision Notes

- Entrepreneurship is a fourth factor of production.
- It refers to organising land, labour and capital to create a business.
- Entrepreneurs identify opportunities and take risks.
- Entrepreneurs often innovate new products or services.
- Innovation drives economic growth and job creation.
- Entrepreneurship involves risk-taking and possible failure.
- Entrepreneurs must learn from failures and adapt.
- Entrepreneurship contributes to a country's economic development.

Practice Questions

- 1 Discuss an entrepreneur you admire and why.
- 2 Explain how an entrepreneur organises land, labour and capital.
- 3 Discuss why risk-taking is part of entrepreneurship.
- 4 Research a successful business started by an entrepreneur.
- 5 Discuss what could happen if a business venture fails.
- 6 Think of a business idea and explain how you'd organise resources for it.