

# The Ingredients for Economic Growth | Worksheet



## Matching

Match the definition in Column A with the term in Column B.

### Column A

- \_\_\_\_\_ Tools or machines that improve efficiency.
- \_\_\_\_\_ Extra input adds less without balance.
- \_\_\_\_\_ Total goods or services produced from inputs.
- \_\_\_\_\_ Worker's skills, training, and knowledge.
- \_\_\_\_\_ The resources used to produce goods or services.
- \_\_\_\_\_ Making more with the same or fewer resources.

### Column B

- a. Productivity
- b. Input
- c. Output
- d. Technology
- e. Human Capital
- f. Diminishing Marginal Returns

## Multiple Choice

1. **A farmer installs new irrigation equipment but doesn't change the number of workers or the amount of land used. As a result, crop production increases.**
  - a. Diminishing Marginal Returns
  - b. Human Capital
  - c. Productivity
  - d. Output
2. **A bakery buys five new ovens, but output doesn't increase because there aren't enough trained workers.**
  - a. Human Capital
  - b. Technology
  - c. Input
  - d. Diminishing Marginal Returns
3. **Which of the following best explains why South Korea experienced strong economic growth while North Korea did not, even though both started in poverty?**
  - a. South Korea had more land and natural resources.
  - b. North Korea used fewer inputs, creating more output.
  - c. South Korea invested in education and technology.
  - d. North Korea allowed more economic freedom.
4. **A company trains its workers to use a new machine more effectively.**
  - a. Input and Output
  - b. Technology and Human Capital
  - c. Output and Diminishing Returns
  - d. Government and Labor Laws

## Application

Imagine you're starting a small business, like a lemonade stand or a t-shirt shop. You want to grow without spending a lot more money. What could you do to increase your productivity using the same inputs? Explain your answer using at least two vocabulary terms from the lesson.



## The Ingredients for Economic Growth | Answer Key

### Matching

Match the definition in Column A with the term in Column B.

Column A

- d. Tools or machines that improve efficiency.
- f. Extra input adds less without balance.
- c. Total goods or services produced from inputs.
- e. Worker's skills, training, and knowledge.
- b. The resources used to produce goods or services.
- a. Making more with the same or fewer resources.

Column B

- a. Productivity
- b. Input
- c. Output
- d. Technology
- e. Human Capital
- f. Diminishing Marginal Returns

### Multiple Choice

1. **A farmer installs new irrigation equipment but doesn't change the number of workers or the amount of land used. As a result, crop production increases.**
  - a. Diminishing Marginal Returns
  - b. Human Capital
  - c. **Productivity**
  - d. Output
2. **A bakery buys five new ovens, but output doesn't increase because there aren't enough trained workers.**
  - a. Human Capital
  - b. Technology
  - c. Input
  - d. **Diminishing Marginal Returns**
3. **Which of the following best explains why South Korea experienced strong economic growth while North Korea did not, even though both started in poverty?**
  - a. South Korea had more land and natural resources.
  - b. North Korea used fewer inputs, creating more output.
  - c. **South Korea invested in education and technology.**
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4. **A company trains its workers to use a new machine more effectively.**
  - a. Input and Output
  - b. **Technology and Human Capital**
  - c. Output and Diminishing Returns
  - d. Government and Labor Laws

### Application

You run a small business, like a lemonade stand or t-shirt shop. You want to grow your business without spending more money. What are two ways you could increase productivity by using human capital and technology? Explain your reasoning.

**Sample Answer Key:**

*I could train myself to work faster and learn better techniques for making lemonade. That would improve my human capital. I could also start using a larger pitcher to mix more at once. That's using technology to increase how much I can make in the same amount of time. By improving my skills and tools, I can sell more lemonade without hiring extra help.*

#### Guidance for Grading

- Use of Human Capital:** The student should identify that learning, training, or gaining skills helps them work more efficiently. Look for phrases like “learning better techniques,” “getting faster,” or “gaining experience.”
- Use of Technology:** The student should include a tool, machine, or method that helps them do more with the same effort (e.g., larger pitcher, electric press, new software, better workspace setup).
- Correct Understanding of Productivity:** The student should connect both examples to productivity, showing that they're increasing output *without adding more input* (like hiring more workers or buying more supplies).
- Realistic Application:** The scenario should show logical thinking—a simple improvement that matches the kind of small business given (e.g., lemonade stand, t-shirt shop), not something overly complex.