

Factor Market Models

A. Factors (economic resources) are used to make goods and services sold in product markets.

B. Four factor markets will be examined.

Factor	Income Received
1. Land	Rent
2. Labor	Wages
3. Capital	Interest
4. Entrepreneurship	Profit

C. Economic concerns to be evaluated when analyzing factor markets include:

1. Amount and proportion of factors hired
2. Amount and distribution of factor income
3. Economic efficiency of different models (Allocation and Production Efficiency)