

# Economy 101

## Cheat Sheet

A quick guide to understanding the economy for primary and secondary school students.

## What is an economy?

An economy refers to a set of interconnected activities concerned with the production, distribution, and consumption of goods and services.

The Hutchinson Encyclopedia retrieved on Credo Reference online database via NLB's eResources (<http://eresources.nlb.gov.sg>)

Simply put, an economy involves the activities of selling and buying of goods or services to satisfy needs and wants. For example, a simple economic activity involves a seller and at least a buyer.

### Scenario



**BUYER**

Why? David feels hungry and he wants to eat a slice of pizza

With \$4.00, David could afford to buy a slice of vegetarian pizza from the seller.



**SELLER**

Why? Ah Meng sells pizza to earn a living

By setting up a stall that sells pizza, Ah Meng earns some money. The pizzas are priced according to the ingredients used. Anyone who has the money can buy slices of pizza from him.

## How does an economy work?

The activities of buying and selling keep the economy going. Every country has an economy. It is how the society and government decide what products to produce with their available resources, so as to fulfil needs and wants.

The term *national economy* describes the interrelationships among a country's levels of employment, production and consumption of goods and services, and prices.

Grolier Multimedia Encyclopedia retrieved on Grolier Online database via NLB's eResources (<http://eresources.nlb.gov.sg>)

There are many types of activities that generate economic growth in a country. These include food, electronic products, books, television sets, video games, computers and many others. To understand how they function at national level, it is best to group them according to economic clusters such as:

**Food and beverage**  
donuts, restaurants, hawker stalls, fast-food

**Health services**  
Hospitals, clinics, dentists

**Transportation**  
buses, taxis, cars, trains, bicycles

**Electrical and electronic products**  
mobile phones, television sets, computers

**national economy**

**Education**  
schools, tuition centres, books

**Household items**  
washing machines, iron, rice cookers, refrigerators

## Did you know?

1

The word 'economy' comes from the Greek word **oikonomia**, which means 'household management'



2

Countries around the world do buy or sell goods and services through trade activities known as

**imports** and **exports**



For example

- Singapore buys or imports cooking oil from Malaysia, Indonesia
- Australia sells or exports butter and cheese to Singapore and other countries

3

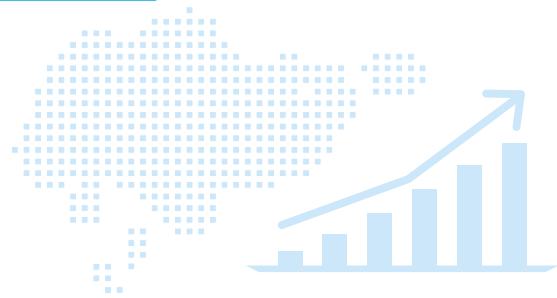
**Gross domestic product (GDP)**

refers to the measurement of the total value of all economic activities in a country, including all sales of goods and services and the value of imports and exports.



## Singapore Economy

Singapore, being a relatively young nation, has progressed greatly since its independence in 1965. Despite having a small land area, its economy is one of the most highly regarded in the world.



### Who are the people involved in the workings of the economy?

#### Government bodies

Government bodies can contribute directly or indirectly to the economy. In Singapore, the relevant ministries include, but are not limited to, the Ministry of Trade and Industry (MTI), Ministry of Manpower (MOM) and Ministry of Trade (MOT).

#### Private organisations/personnel contributing to Singapore's economy

Besides government agencies, private organisations and individuals also contribute to the Singapore economy. For example:

##### (a) Small and Medium Enterprises (SMEs)

In Singapore, SMEs are defined in terms of their annual sales turnover and number of employees.

From SPRING Singapore (2011):  
'Company's fixed assets investment (net book value) not more than S\$15 million AND employment size not more than 200 workers (services sector)'

##### (b) Entrepreneurs

An entrepreneur usually refers to a person who sets up business with the intention to make profits, through taking risks.



# Searching for information on Singapore's economy

## A. Ensuring currency

Generally, information on economic performance are produced in the form of statistical data or figures. They require a lot of time to compile and analyse. Therefore, it is not unusual to find that the most recent statistical data posted or published is behind by a few days, weeks, or months. Some other publications may require up to a year or more to gather and analyse data. For example, the National Library Board's latest Annual Report for 2011/2012 is only published in 2013; and for the year covering 2012/2013, it will only be published sometime in 2014.

### Try this

Choose a search engine and type the following keywords:

**Singapore air transport statistics**



Then, select the websites that publish statistics on Singapore air transport. Find the most current statistical information posted.

## B. Search term construction

To search for information regarding Singapore's economy from a particular website, you can specify the particular webpage in the search engine by inserting the 'site:' function.

For example, to search for information on Singapore's economy from a government website, type the following commands in your search box:

**Singapore economy AND site: gov.sg**



Try using these search strategy tips to find information on the economy more quickly and effectively!

## C. Useful links and databases

### Economy

- 'Economic Education: Elementary School Economics', *Federal Reserve Bank of St Louis*  
[http://www.stlouisfed.org/education\\_resources/elementary-school/](http://www.stlouisfed.org/education_resources/elementary-school/)
  - Offers useful interactives and lesson plans on topics such as saving and budgeting
- 'Economy for Kids', *Scholastic*  
<http://www.scholastic.com/browse/collection.jsp?id=455>
  - A collection of articles and resources on how the economy works. Glossary and articles help to explain the economy in simple terms.

### Singapore Economy

- 'Singapore', *Encyclopaedia Britannica Online*  
<http://kids.britannica.com/comptons/article-208087/Singapore>
  - Provides quick facts on the economy of Singapore in easy terms

(You can also access this database via [eresources.nlb.gov.sg](http://eresources.nlb.gov.sg) → 'Secondary School Students' → 'Britannica Encyclopaedia')

- *Department of Statistics, Singapore*  
<http://www.singstat.gov.sg/>
  - Statistics on the Singapore economy and population are produced by the Singapore Department of Statistics
- *Economic Development Board, Singapore*  
<http://www.edb.gov.sg/content/edb/en/why-singapore/about-singapore/facts-and-rankings/facts.html>
  - Facts and rankings on Singapore's economy from the official government agency

### References:

Einspruch, Andrew (2011). The money system. Call no. 332 EIN  
Fay, Gail (2011). Economics around the world. Call no. 330.9 FAY  
Britton, Tamara L. (2013). Economic systems. Call no. 330.1 BRI