What Makes Kelp?

Trace the inputs behind a coastal business

SS24.E.1b "Explain how land (natural resource), labor (human resource), capital (physical or human resource), and entrepreneurship function as factors of production."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline natural resources, circle workers' actions, and number the equipment, learned abilities, and business decisions you find. Use different numbers for equipment, abilities, and decisions so you can explain what each contributes.

From Bay to Restaurant

1. At dawn, a crew heads into a sheltered bay to raise kelp for a small food company. A business can make something only when several kinds of inputs work together. Economists group these inputs as land, labor, capital, and entrepreneurship. Land includes natural resources, not just dry ground. Labor is people's work, while capital includes equipment and learned abilities that make work more productive. Entrepreneurship brings the other inputs together and takes on the risk of a business decision. Without one input, the company might produce less or fail to produce at all.

2. The bay's seawater and sunlight help kelp grow, so the crew depends on nature even though it owns neither resource. The company pays for permission to use a section of the bay, but that payment does not create the water or sunlight. Workers attach young kelp to lines, check for damage, and harvest mature blades. Their time and effort supply labor. Reusable lines, boats, and a drying shed help workers grow, collect, and preserve more kelp than they could with bare hands. Training in safe drying methods helps the crew avoid spoilage and improve the product's quality.

3. The founder notices that local restaurants want dried kelp but cannot count on a steady supply. She borrows money for boats and the shed, hires and trains workers, and signs agreements with buyers before the first harvest. She chooses how much kelp to grow and when to dry it, knowing storms could ruin the crop or sales could disappoint. If her plan works, the business earns revenue and can repay its loan; if it fails, she still owes the lender. The same bay and workers would not automatically become a reliable food business without someone organizing them.

2 ANSWER WITH EVIDENCE

Use the passage

1. How do seawater and sunlight function as land in this business, even though the company does not own them?

2. Choose two actions the workers perform. How does each action contribute labor to production?

3. How do one piece of physical capital and one form of human capital improve the company's production?

4. Which decisions show entrepreneurship, and what risk does the founder take by making them?

3 YOUR TURN

Your own words

Invent a business that makes a product other than kelp. In one paragraph, explain how a natural resource, workers' labor, a physical tool and a learned skill, and an entrepreneur's decision and risk work together to make it.

ANSWER KEY

What Makes Kelp?

GRADE 12 · SS24.E.1b

PART 1 · READ AND MARK

Underline natural resources, circle workers' actions, and number the equipment, learned abilities, and business decisions you find. Use different numbers for equipment, abilities, and decisions so you can explain what each contributes. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How do seawater and sunlight function as land in this business, even though the company does not own them?	**They are natural resources that help kelp grow. Ownership is not required for a resource to function as land.**
2	Choose two actions the workers perform. How does each action contribute labor to production?	**For example, workers attach young kelp to lines so it can grow, and they harvest mature blades so the company can sell them.**
3	How do one piece of physical capital and one form of human capital improve the company's production?	**For example, the drying shed helps preserve harvested kelp, while training in safe drying methods helps prevent spoilage and improve quality.**
4	Which decisions show entrepreneurship, and what risk does the founder take by making them?	**She borrows to buy equipment, hires and trains workers, and arranges buyers. Storm damage or weak sales could leave her owing the lender even if the business fails.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

My pottery business uses clay, a natural resource, to make mugs. Workers shape the clay and apply glaze, supplying the labor needed to turn it into finished goods. A kiln is physical capital because it fires many mugs at once. Workers' learned skill in controlling kiln temperature is human capital that reduces cracked mugs. I decide to buy a kiln and take advance orders from local shops, bringing the inputs together. If the mugs crack or shops cancel their orders, I may not earn enough to repay the kiln loan.

Accept other passage-supported examples of labor, physical capital, human capital, and entrepreneurial decisions. For the open task, the natural resource must be distinct from the physical tool, and the response must explain a specific business risk.