

**Answer on Question #61750 – Economics – Microeconomics**

Discuss the main inputs under three main types of factors of production

**Answer:**

There are three main factors of production:

- Land:
- Labor;
- Capital.

The fourth, but not less important is an entrepreneurship, which helps to organize the effective usage of the first three factors that were mentioned.

Plants need people, materials, machinery and equipment to manufacture products. Labor, land, and capital are actually the inputs involved in a production process.

To begin with a land, it is actually not only a physical property. This term determines all resources that land can produce. They are natural materials such as coal, wood, metal, water and so on. Manufacturers widely use these inputs in their production.

Capital includes different machines, equipment needed for an entrepreneur activity. Buildings are also included to the particular type of production factors. Capital differs throughout industries. For instance, car manufacturing needs large factories and a lot of machines, it is very capital-intensive. On the contrary, flower shop requires much smaller capital expenditures.

One of the most important production factors is labor. Working hours are the inputs needed for a creation of goods and services. People's efforts and time are vital components of a production process.

Entrepreneurship manages all these production factors. Its main goal is to arrange all inputs in the most effective way and to create qualitative goods with the lowest costs.

Economists calculate labor hours and materials used in a production process. Specialists also include an amortization of the machinery and buildings. There are actually the main inputs involved in a process of manufacturing of goods and services.

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