**SSEMI1 The student will describe how households, businesses, and governments are interdependent and interact through flows of goods, services, and money.**

1. Illustrate by means of a circular flow diagram, the Product market; the Resource (factor) market; the real flow of goods and services between and among businesses, households, and government; and the flow of money.
2. Go to <http://www.stlouisfed.org/education_resources/economic-lowdown-video-companion-series/episode-6-circular-flow/> and watch the video on the circular flow
3. After the video answer the questions below
4. Who owns all resources? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. Who buys resources from them? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
6. What do they get for their resources? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
7. What market does this take place in? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
8. What do they use the resources to do? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
9. What do they do with the items produced? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
10. What do they get in return? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
11. What market does this take place in? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
12. Label the drawing below (each arrow represents each stage of the flow and each box represents the market transactions take place in)

**#6**

**#4**

**#3**

Resource buyer

Resource owner

**#5**

**#1**

**#2**