

### **Unit 3: Resources and their values**

**Resources:** Resources are *all the goods and services a country has*.

**Value:** This is the *value of goods and services measured in terms of money*.

Raw materials that come from nature and have not been changed *have less value than the manufactured goods* that are made by changing raw materials. These *changes involve many processes* and each of these processes costs money, so manufactured goods *have a higher value* than raw materials. Therefore, they are *sold for higher prices* than raw materials. Many people make a profit along the process from raw material to manufactured product.

**Task:** Read p 35/36 in PSS and complete Activity 6.

**Case Studies:**

1. From cocoa to chocolate

Read p37-38 in PSS and complete Activity 7.

2. From gold to jewellery

Read p 39-40 in PSS and complete Activity 8.

#### **Trade in raw materials**

- It is *risky*. Crops could fail. As a result, there would be no goods to export and therefore no money to import the manufactured goods the country needs.
- Raw materials *sell for a lower price* than manufactured goods.
- The *price of raw materials fluctuates according to demand*. A sudden drop in demand causes the price to drop, so less money is earned and there is less money to buy manufactured goods.
- Example: The oil price has dropped substantially during the Covid-19 pandemic due to a hugely decreased demand as a result of so many countries going into lockdown and transport being largely shut down both internationally and locally within countries.

#### **Trade in manufactured goods**

- Manufactured goods *sell for a higher price* than the raw material
- The *price does not fluctuate nearly as much as the price of raw materials* as the *demand for manufactured goods remains high*.
- *Jobs* are created during the manufacturing process

### Values of selected raw materials and manufactured goods

We measure a thing's value in terms of money. Raw materials and manufactured goods have different values. Raw materials are used to make manufactured goods. Most manufactured goods have a higher value or cost more money to make than raw materials. Manufactured goods are therefore sold for higher prices than raw materials.



Cars, ships and many other objects in this photograph are made from steel.

Why are raw materials cheaper than manufactured goods? Raw materials, like a freshly cut tree have not been changed yet. Manufactured goods are made by changing raw materials. These changes can involve many **processes**. Each process costs money. If many processes are needed to make something, that thing usually costs more money. For example, it takes many processes to make a motor car and motor cars cost a lot more money than televisions!

#### New word

- **processes** – a set order of actions that lead to a change or result, such as making a meal

### ACTIVITY 6 Get information from pictures

Look at the goods in the photographs below

1. Arrange the goods under two headings: manufactured goods and raw materials.
  - a. Write the prices next to each name.
  - b. What kind of products are more expensive?
2. What is the most expensive product? List the raw materials you think are in this product.
3. Look for objects that you think needed lots of processes to make them. Explain why having lots of processes makes objects cost more money.



Pile of iron ore – Price R1500 a ton



Bicycle –  
Price R5 000



Pile of wood (about 10 logs) –  
Price R2 000

Computer – Prices,  
R5 999 – R7 999



Wardrobe and  
dressing table –  
Price R8 000



Blocks of stone for building – Price R500  
Different values of resources.



Bags of coal – Price R150 each

**ACTIVITY 6: GET INFORMATION FROM PICTURES**

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**Answers**

- Learners arrange the products under two headings, as shown below.
  - Learners write the price of each product next to the product.

<b>Raw materials</b>	<b>Manufactured goods</b>
Iron ore (R1 500/ton)	Wardrobe and dressing table (R8 000)
Pile of wood (R2 000)	Computers (R5 999 – R7 999)
Bags of coal (R150)	Bicycle (R5 000)
Blocks of stone (R500)	

- Manufactured goods cost more money.
- The most expensive products are the wardrobe and dressing table.  
The raw materials in these products are wood, steel and a mirror.
  - Objects that need lots of processes are the bicycle, the computer and the wardrobe and dressing table.  
Having lots of processes involves hiring people with skills and paying them for their skills and their time. This costs money.