

* Factors of production.

All productive resources require to produce a given product are called factors of production.

There are five basic factors of production to require to produce any goods-like Land, Labour, Capital, organisation and entrepreneur. Now, we study one by one describing -

(1) Land - Every production needs to stay -
-able industry, storage, etc.

(2) Labour - Any work whether mental or manual which is undertaken for a monetary consideration is called 'Labour' in economics. Labour is an active factor of production.

(3) Capital - It refers to that part of man's wealth which is used in producing more wealth or which yields an income.

Purchasing of new machinery, New buildings, raw materials etc. is capital.

(4) Enterprise - Risk-bearing is the speciality of the entrepreneur. The responsibilities and

importance of entrepreneurs is increasing day by day because the process of production is becoming more complex and require innovation day by day.

(5) Organisation - The entrepreneur has three basic functions as Risk and Uncertainty bearing, management and control and co-ordination. Organisation is the body which co-ordinate rest factors of production.