

Names: \_\_\_\_\_  
\_\_\_\_\_

Hour: \_\_\_\_\_

# T-Shirt Company



*You and your partner are going to create a designer t-shirt factory right here in our city. This worksheet will help you consider different things as you set up your company.*

## **Step 1: Identify Factors of Production**

Brainstorm the factors of production that you will need to start your t-shirt business. For each category write some specific things you will need to buy in factor markets.

### **Land (and natural resources)-**

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### **Labor-**

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### **Capital-**

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### **Entrepreneurs-**

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## **Step 2: Designing the Product**

Draw a design for your t-shirt. Then, answer the questions on the back about your product. (The best design gets extra credit)

- Are you producing a capital good, consumer good, or a service?  
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- To which types of people will you market your product?  
\_\_\_\_\_
- What would you like the value of your product to be in the product market?  
\_\_\_\_\_

**Step 3: Trade-Offs and Opportunity Costs**

Your business must now decide whether to produce hats also. First, graph the numbers in the table. Then, answer the questions at the bottom of the page.



- Based on the graph, about how many hats can you make if you produce 150 t-shirts? \_\_\_\_\_
- What is the opportunity cost of producing 300 hats instead of 175?  
\_\_\_\_\_
- What additional data might you need to make your decision on how many hats or t-shirts you should produce?  
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