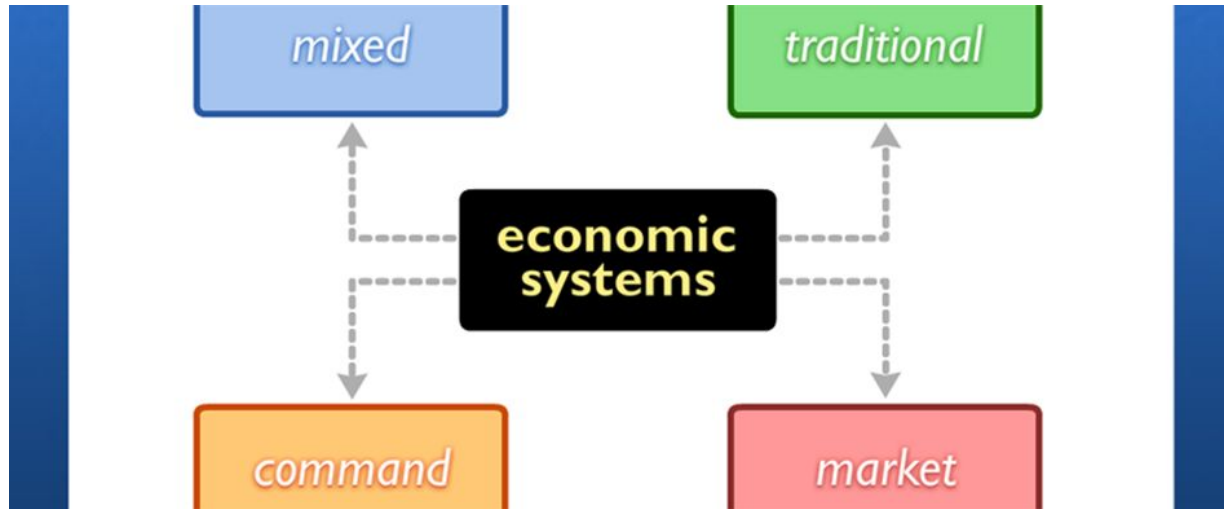


What studies how individuals and societies seek to satisfy needs and wants through incentives, choices, and allocation of scarce resources?

Economics Review

Why do you think nations use economic systems?



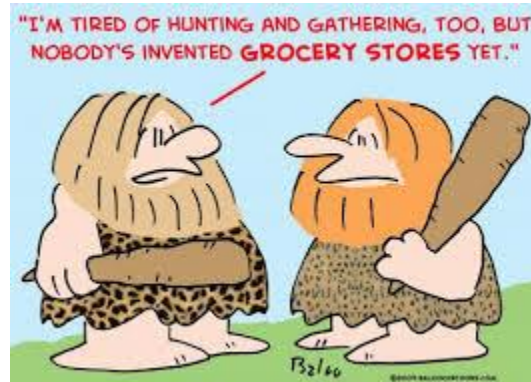
- Use resources effectively
- Provide a minimum standard of living



What economy is shaped largely by customs and religion?



What economy is mainly found
in rural areas with
hunter/gather societies?



What economy has no competition?



The government dictates the price and services



What economic system has no government involvement at all?



**The only fair
is laissez-faire.**

Does a pure market economy exist?

What is a mixed-economy?



What are 3 basic questions
EVERY economy tries to
answer?

1. What to produce
2. How to produce
3. For whom do we produce

Advantages to Market Economies

- Adjusts to change based on consumer wants
- High degree of individual freedom
- Low levels of government interference
- Because individuals (with money) make the decisions, everyone (with money) has a voice in the way the economy runs
- Wide variety of available goods & services, competition to have the best products and services
- Many choices = high degree of consumer satisfaction

Disadvantages to Market Economies

- Poverty: only those with money can participate
- Market does not provide for people's basic needs. Governments must attempt to do this (think Katrina).
- High degree of uncertainty people lose jobs, businesses fail
- Greed based system puts profit before people
- huge rift between wealthy and poor

Advantages to Command Economies

- Because the government has total control over production and its factors, these economies can change rapidly.
- Whatever is needed most will be produced.
- There is no uncertainty (people are told when and how to work)
- Free education, health care, and other public services

Disadvantages to Command Economies

- Economy designed to meet needs not wants, meaning little choice of items
- No incentive to work hard (people don't often lose their jobs, so they do the bare minimum to get by)
- Large bureaucracy means slow decision making, raises cost of production, lacks flexibility
- No reward for initiative which slows progress

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- 1) Identify the three basic economic questions every society must answer.
 - a.
 - b.
 - c.
- 2) Describe the difference between how a pure command economy answers these questions and how a pure market economy answers these questions
- 3) Give an example of a good or service produced in the United States using the command model.
- 4) Give one example of a disadvantage in Market Economy and explain how that makes you feel.
- 5) Give one example of a disadvantage in Command Economy and explain how that makes you feel.
- 6) Give one example of an advantage in Market Economy and explain how that makes you feel.
- 7) Give one example of an advantage in Command Economy and explain how that makes you feel.

ISN

1. Why We Need Laws
2. Warm Ups
3. Hammurabi's Code (6 Situations)
4. 12 Tables
5. Study Guide
6. Introduction to Economics
7. Econ Vocabulary
8. Economics System Review
9. Economics Review