

Name _____

**Economics
Economic Systems**

1. Place a check mark in the column of the type of economic system that the statement describes.

Statement	Traditional	Command	Capitalist
The United States has this type of system.			
Everyone does what people in his or her family have done.			
Central planning determines the production and distribution of goods.			
Wages are set by the market based on scarcity of labor and demand for a skill.			
What will sell is what is produced			
What meets the goals of the system is what is produced.			
The same tools and methods are used that have been used in past years.			
A central authority makes the decision about economic questions.			
Prices are important in economic decisions.			
This type of system can make a dramatic change in a short time.			
This type of system is also called a market economy.			
There is little change in this type of system.			
This type of system allows a great deal of freedom for everyone involved.			

2. These items are goals for some economic systems. For each one, check whether you agree or disagree that it is a goal of our economic system.

Goal	A Goal of Our System	
	Agree	Disagree
Increase the amount of goods and services available to consumers.		
Increase the standard of living.		
Place the government before the individual.		
Provide jobs for all who are willing and able to work.		
Provide the same income for everybody.		
Provide the freedom to buy goods in the marketplace.		
Jobs guaranteed for most people by the government.		
Provide financial security for people who are unable to care for themselves.		

3. For the three major types of economic systems, answer each of these questions.

Questions to be answered	Traditional	Command	Capitalist
What will be produced?			
How will goods be produced?			
How much will be produced?			
For whom are goods produced?			
Who owns the factors of production?			
How much is the system controlled by a central committee or government?			
How do people choose their life work?			
Who sets goals for the system?			
What happens to profits?			

4. Describe the changes you think would take place if a capitalist system suddenly changes to a command system.