

Analyzing the 4 Economic Systems (8.1)

Type of Economic System	Who Owns the Means of Production?	How are Economic Decisions Made?	Describe the level of competition among producers.	Describe the level of choice for consumers.	Describe the level of government involvement in the economy.	Describe the profit incentive for producers.
<b>TRADITIONAL</b>	1.	By Tribal Members	n/a	n/a	n/a	No profit incentive; survival
<b>COMMAND</b>	2.	5.	7.	No choice; only have government-made products.	9.	11.
<b>MARKET</b>	3.	6.	High competition for consumer's money	8.	10.	12.
<b>MIXED</b>	4.	By Government and/or by consumers and producers	Varies; high among private producers.	Some choice; only for goods and services made by private producers.	High in economic areas that govt. commands; lower in privately produced areas	High in privately operated areas; low in government commanded areas.

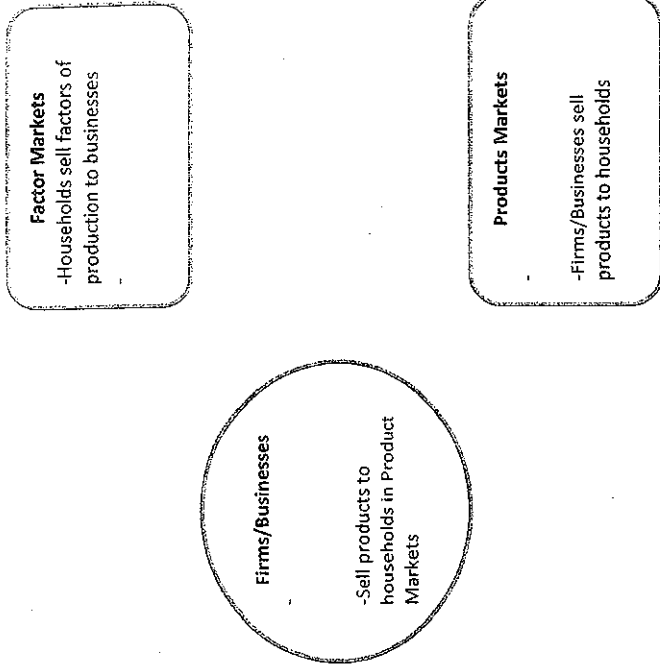
The USA's Free Enterprise System (8.2)

- For this section, create an Open Office Writer document or Impress Presentation that includes:
- At least 2 examples of any of the following ideas- Profit Incentive, Voluntary Exchanges, Freedom to Enter Markets, Government Protections of Property and Competition.
  - Each example must have at least one appropriate and sourced picture (listing the website where the picture was taken from is OK)
  - At least a 1 paragraph explanation of how the pictures describe the idea examples you selected.

Your work will be presented and displayed to our class. It will count as a grade and be assessed by the following scale (each box will be graded from 1-10 points for a total of 40 points):

All required information is included, clearly identified, and correct	Score 0-10
Information is well written, easy to follow, uses complete sentences with no grammatical errors.	
Topic is creatively displayed using good examples and appropriate pictures.	
All information and pictures obtained from sources other than in class must be properly identified and cited.	

The Circular Flow of Economic Activity (8.3)



Write the following terms into the missing spaces in the boxes/circles:

- Businesses buy factors of production from Households
- Buy Factors of Production from householders in Factor Markets
- Buy Products from Firms/Businesses in Product Markets
- Households buy Products from Firms/Businesses

Draw arrows from box to box and label the following information on the appropriate arrow:

- Goods and Services (2 arrows)
- Consumption Expenditures
- Revenue
- Factors of Production (2 arrows)
- Costs
- Money/Income

### Supply and Demand (8.4)

1. Draw a Supply Graph with the following points: 5 items supplied at \$2; 10 items supplied at \$3; 15 items supplied at \$4; 20 items supplied at \$5; 25 items supplied at \$6

2. Draw a Demand Graph with the following points: 5 items demanded at \$6; 10 items demanded at \$5; 15 items demanded at \$4; 20 items demand at \$3; 25 items demanded at \$2

Why does demand go up when price goes down?

Why does supply go up when price goes up?

3. If these two graphs overlapped, (a.) what would be the equilibrium price and (b.) what quantity of goods would sell at that price?

a.)  
b.)

Why is the equilibrium price called the market price?

4. Name 2 ways supply that could increase. Explain why each increases supply.

5. How does income affect demand and spending?

6. Explain the relationship between price and substitute goods.

### Role of Money and Investments Made by Individuals, Businesses, and Government (8.8 and 8.9)

1. How is money used as a medium of exchange? How does money allow for credit?
2. What are demand deposits? How are debit cards used with a checking account?
3. What is a time deposit? Why is it an investment?
4. What benefit do credit cards have for individuals?
5. What are stocks and mutual funds? Why are mutual funds safer investments?
6. What does buying insurance do for people?
7. When a business invests in its human capital, what is occurring? Why?
8. Why is buying new equipment a capital investment? How does this help a business?
9. What is a pension fund? Why could this help a business?
10. What 4 areas can the government invest in? How can these investments help the country?
11. What is the Federal Reserve? What do they do?
12. What is a tight money policy used for? What 3 things make up a tight money policy?
13. How does a tight money policy slow the growth of the economy?
14. What is an easy money policy used for? What 3 things make up an easy money policy?
15. How does an easy money policy help the economy?