Comprehension Check

Double Dip

1. Write a **T** beside each statement that describes a **traditional economy**. Write a **C** beside each statement that describes a **command economy**. Write **M** beside each statement that describes a **market economy**.

\_\_\_\_\_ 1. Economic decisions are based on customs from the past.

\_\_\_\_\_ 2. Individuals are encouraged to develop new ideas and businesses.

\_\_\_\_\_ 3. Large numbers of people are involved in decision-making.

\_\_\_\_\_ 4. Economic decisions are made by central planners, like the

government.

\_\_\_\_\_ 5. Buyers and sellers make economic decisions.

\_\_\_\_\_ 6. Land, tools, and factories are privately owned.

\_\_\_\_\_ 7. Individuals have little choice about the work they do.

\_\_\_\_\_ 8. Individuals may choose what kind of work they do.

\_\_\_\_\_ 9. Workers can bargain for higher wages.

\_\_\_\_\_10. Consumers may buy or not buy products and services.

1. A. Describe each of the economic systems and give an example of each.

B. Describe one advantage and one disadvantage of each economic system.

1. Traditional Economy
2. Command Economy
3. Market Economy

4. Mixed Economies

1. What are the three basic economic questions that must be answered by a society? The way the questions are answered determines the nation’s type of economic system.