



### 1.2.3 Practice: Comparing Economic Systems

Practice

Economics

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Date: \_\_\_\_\_

For this assignment, you will complete the following steps:

1. **Review:** Look back over your notes on the types of economies.
2. **Evaluate:** Consider what life would be like in each type of economic system.
3. **Write:** Complete the questions below.

To get the best grade possible, follow the instructions in the assignment closely and answer all the questions completely. This assignment is worth 10 points.

## REVIEW

**Use your notes on the different types of economic systems to help you answer the questions below.**

**This section is worth 6 points.**

1. How does each type of economy answer the three basic economic questions? (3 points)

**Command:** The government decides what to produce, how to produce it, and who gets it. Central planners set production goals and control distribution.

**Market:** Businesses and consumers answer the questions. Companies produce what people are willing to buy, use efficient methods, and sell to those who can afford it.

Mixed: A mix of government and market forces decide. Some decisions are made by private businesses and consumers, while others are stopped by the government.

2. Place each of the economies described on page 3 on the spectrum of economic systems below. (3 points)



I don't know how to edit the spectrum, so here it is below.



*Command (left) ← North Korea    **Mixed** ← Norway    Market (right) ← New Zealand*

## EVALUATE AND WRITE

**You will now write a brief evaluation of the three economic systems outlined on page 3. Be specific about what aspects of the economy would make living there desirable or undesirable.**

**This section is worth 4 points.**

3. Which of the three economies described on page 3 would you most like to live in? Which would you least like to live in? Explain your reasons for each choice.

Most like to live in: New Zealand

Explanation: It has a strong economy with low government interference, low taxes and encourages personal freedom and business. It also supports people in need but pushes them to get back to work which is fair.

Least like to live in: North Korea

Explanation: Government controls everything. There are food shortages, no economic freedom, and most of the money goes to the military. People don't have basic rights or opportunities.

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