

What is a command economy

- an economy in which production, investment, prices, and incomes are determined centrally by a government.

What are the means of production?

- Things used to produce something useful for society (land, factories)

What is a market economy?

- An economic system in which production and prices are determined by unrestricted competition between privately owned businesses.

What is Competition?

- where 2 businesses^{or more} have to earn your dollar by making a product better, cheaper etc than the opposition.

What is the stock market?

- when companies offer investors a piece of ownership to their company in exchange for money or skills.
- Those are called stocks; they can be sold or traded.

What was the great depression?

- The worst economic downfall of the industrialized world from 1929 to 1939
- The stock market crashed, that pulled wall street into panic driving away investors.
- people spent less; money investments dropped.
- Companies laid people off
- 15 million americans were unemployed and 1/2 of the banks failed.

Pros : Cons of a market economy

- + freedom of choice
- + Motive of self interest
- + System of markets & prices
- money was made at the top & trickled down
- very little if any social welfare

Pros : Cons of a Command economy

- + less Inequality
- + Low unemployment levels
- + Common good vs profit motive
- less innovation
- inefficiency