

Name _____

What is an Economy?

Economy

- The way in which a nation makes economic _____
- Also called an Economic _____

Resources = Factors of Production

- _____ are all the things used in producing goods and services. The technical term for it is _____.
- _____ -- everything on the earth that is in its natural state, or the Earth's natural resources.
- _____ -- all the people who work in the economy
- _____ -- includes _____ needed to start and operate a business. It also includes the goods used in the production process.
_____, office buildings, computers, and _____ are all capital resources.
- _____ -- the skills of people who are willing to risk their time and money to run a business.

Economic Systems are needed because:

- _____ -- no one country has enough resources to supply everything that is needed or wanted which creates scarcity.
- Scarcity forces nations to make economic _____.

Three Economic Questions

- Nations must answer three basic questions when deciding how to use their limited resources.
- _____ goods and services will be produced?
- _____ should goods and services be produced?
- _____ should the goods and services be produced?

Types of Economic Systems

- _____ **Economy** – In a pure market economy there is _____ in economic decisions.
- _____ **Economy** – A system in which the government _____ the factors of production and _____ about their use.
- _____ **Economies** – _____ in the world today (including the Free Enterprise System in the U.S.) _____ with varying degrees of government regulation
- **Types of Mixed Economies**
- _____ -- Characterized by _____ of businesses and marketplace competition.
- _____ – there is _____ government involvement in people's lives and the economy.
- _____ – Countries have a _____ form of government, which means that the _____.
- **Economies in** _____ – the breakup of the former Soviet Union probably provides the best examples of societies making the difficult _____ from command to market economies.