Economic Systems

firms private enterprises resources market

targets profit product government command

**THE PLANNED ECONOMY**

In a planned economy decisions about the allocation of resources in its economy – What to produce? For whom to produce? Are made by the ……………………………………………..

Farms and factories are set production t…………………….s, R…………………………… are allocated so that they can achieve these targets.

Factors of production and business are owned by the …………………………………; there will be little or no p………………………. e………………………………………..

Two countries that have planned economies are …………………………………. and …………………………………….

**THE FREE MARKET ECONOMY**

In a free market economy f……………… make the key decisions. People set up in business and are motivated, to a large extent, by p…………………………….

What is happening in markets is signaled by prices. Higher prices give entrepreneurs an incentive to meet consumer wants. There is a very limited role of g…………………… in such a free market economy.

An example of a free market economy is ………………………………………………………………………

**­­­­­­­­­­THE MIXED ECONOMY**

**Arguably a mixed economy manages to achieve the benefits of both of the above. However, it could be argued that it is possible to inherit the worst of both, much depends on the “mix”.**

P……………………………. sector businesses provide goods and services while the g…………………………………. organizes the provision of others through the p…………………………. sector.

The public sector provides two types of goods and services:

P………………………………. goods

Examples ……………………………………………………………………………………

M………………………………… goods

Examples…………………………………………………………………………………….

Two examples of mixed economies are ………………………………………….. and ………………………………………