

Essential Questions: Use as many vocabulary terms as possible when answering the questions. Underline each term you use in your answers.

SS.912.E.1.3: Compare how the various economic systems (traditional, market, command, mixed) answer the questions: (1) What to produce?; (2) How to produce?; and (3) For whom to produce?

1) Identify the three basic economic questions that all societies must answer.

2) How does each of the three economic systems answer the 3 basic economic questions? What are the pros and cons of each?

	Description	Pros	Cons
Traditional			
Command			
Market			

3) In what ways does self-interest shape the nature of a market economy?

4) Why are most modern economies mixed economies?

SS.912.E.2.1: Identify and explain broad economic goals.

5) Describe each of the broad economic goals.

Economic Freedom

Economic Efficiency

Economic Equity

Economic Security

Economic Growth

6) What is the difference between a public good and a private good?

7) How does a government manage externalities?

SS.912.E.2.12: Construct a circular flow diagram for an open-market economy including elements of households, firms, government, financial institutions, product and factor markets, and international trade.

8) Describe the Circular Flow Model

9) Draw and label a Circular Flow Model.

10) Why do markets exist?