

**Learning Goal:** Students will identify different economic systems and be able to explain how traditional, command, market, & mixed economies answer the three fundamental questions.

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

1) Why do economists include ability to pay in their definition of demand?

2) Why might a restaurant owner offer soft drink refills for free?

3) How is consumer choice related to the elasticity of demand?

4) Why do price and supply have a direct relationship?

5) How do changes in supply & demand affect equilibrium?

6) What role do prices play in a free market economy?

7) How does the government use price controls to intervene in the price system?