

Types of Economic Systems

3 Major Economic Questions

- Countries must decide how to use their scarce resources.
- Every economic system must answer 3 basic questions:
 - What to produce?
 - How to produce?
 - For whom to produce?

Answer the question below based on the following scenario. . .

- A company decides to install more machines and lay off some of its workers.
- Which economic question is being directly addressed?
 - What to produce?
 - How to produce?
 - For whom to produce?

Traditional Economy

- Economic questions are answered by what happened in the past, by customs and traditions
- Strengths: No need to worry about what your job will be or how your life will be
- Weaknesses
 - Lack of many resources
 - They only produce enough to live on
 - If there is a shortage, people will either leave the society or die

Market Economy

- Buyers and sellers answer the three basic economic questions
- Strengths: possibility of making profits as long as producers make what the people want to buy
- Weaknesses
 - Risky
 - Desire to make money can lead to abuses such as poor quality goods and services, illegal business activities and paying low wages to workers

Command Economy

- The government answers the three basic economic questions
 - The government prepares detailed economic plans
- Strengths: individuals do not have to worry about employment, housing, education and healthcare
- Weaknesses
 - Problems meeting production goals lead to economic instability
 - Planners often ignore the needs and wants of the people

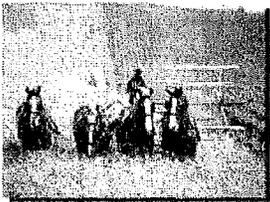
- Traditional System - Things are done as they were in the past based on tradition, customs, and beliefs (religious)
- Command System - government controls all factors of production and makes all decisions
 - Even decides roles people will play (jobs)
- Market/Capitalist System - government does not intervene. Market is freely chosen activities between buyers and sellers of goods and services

- ### Traditional, Market or Command?
- A planning commission decided how much coal should be produced.
 - Doctors are employed by the state and their fees are set by the government.
 - The harvests of corn throughout the village were collected and distributed equally to all citizens.

- Mixed Economic System - contains elements of all 3
 - In the U.S.:
 - Not all decisions are made by individuals reacting to the market
 - Federal, state, and local governments make laws regulating areas of business
 - Public and private sectors contribute to the economy in varying ways
 - Government steps in to handle inequalities in the system
 - Holidays and traditions affect portions of the economy

- ### Mixed Economy
- A mixed economy is a blend of different economies - in most cases it reflects part of market decision making and government participation
 - The United States has a mixed economy
 - Most decisions are made by buyers and sellers, but the government has a hand in decision making (i.e. setting the minimum wage)

The American Economy in Action



- Traditional Economy
 - In many Amish communities, the farms are operated without the use of modern farm equipment

The American Economy in Action



- Command Economy
 - Through the Minimum Wage Law, the government tells companies that workers must be paid at least \$5.15 an hour.

The American Economy in Action



- Market Economy
 - The mall is where buyers go to purchase products and services.
 - Malls also provide a central location for producers to sell products and services.

GDP vs. GNP

- GDP - the market value of all final goods and services produced within a country in a given period of time
 - Ex: Ford is an American made car so every Ford made and sold within the U.S. is part of its GDP
- GNP - the total value of all final goods and services produced by a country's factors of production and sold on the market in a given time period
 - **Example: Any Ford made and sold in Switzerland will count towards the U.S.'s GNP**

Practice

1. Which of these best describes a traditional economic system
 - a. Business owners decide move to a more prosperous area
 - b. A family receives Medicare benefits
 - c. The government sets a quota for the number of television sets that should be produced
 - d. A young man learns a trade from his father

Practice

2. Which of these is most often encourages by the government in a command economy?
 - a. National production goals
 - b. Inherited occupational roles
 - c. Private ownership of property
 - d. Competition between businesses

Practice

3. A company decides to install more machines and lay off workers. Which economic question is being directly addressed?
 - a. How to produce
 - b. What to produce
 - c. For whom to produce
 - d. How much to produce

Practice

4. Which of these best describes a mixed economy?
 - a. The government decides who will produce goods and services
 - b. All natural resources are owned and controlled by the government
 - c. The government's only role in the economy is to ensure competition
 - d. Businesses are regulated by the government to protect the public interest

ECR

- Typically a government follows one of four types of economic systems: traditional, command, market and mixed. Explain how each system answers the basic economic questions of what to produce, how to produce and for whom to produce. Include details and examples to support your response.

Government and Economics

Scarcity and Opportunity Cost

What is Economics?

- Economics is the study of choices made by people when there is scarcity (limits on what they can get).

Socio Economic Goals

- Goals a country has for its society and economy
- What do you think some Socioeconomic goals are in the U.S?
 -
 -
 -
 - How will the government go about accomplishing these goals?
 -
 - The government uses something called opportunity cost to decide how to prioritize what socio-economic goals will receive funding.

THE RELATION TO GOVERNMENT

GOVERNMENTS MUST BALANCE THE AVAILABILITY OF RESOURCES WITH THEIR WANTS

Opportunity Cost and Trade Offs

Opportunity Cost:

- The highest-valued alternative you give up is the opportunity cost of your decision.
- The process of choosing one good or service over another. The item that you don't pick is the opportunity cost

Trade-off

selecting one alternative over the other.

Opportunity Cost

- Mr. Roberson is giving each of you a \$100 bill.
- List 5 things that you would do with that money.

-
-
-
-
-



Trade Off or Opportunity Cost?

1. Schools are overcrowded but the U.S. is at war, therefore all extra funds are being sent to defense. _____
2. A citizen chooses to donate funds towards a political campaign. He chooses the Democrats because he agrees with their ideals. _____
3. Mr. Newman is given \$10,000 to use towards improvements at Suitland. He uses the money to hire a new teacher even though the technology is outdated. _____

Supply and Demand

Demand - The amount of a particular economic good or service that a consumer or group of consumers will want to purchase at a given price.

- Consumers will want to buy more as price decreases.
- Demand for a good or service is determined by many different factors other than price
 - price of substitute goods (different brands) and complementary goods (similar things).
 - EX: real oreo's vs target brand oreo's
Iphone vs Android

Supply and Demand

- Supply - The total amount of a good or service available for purchase.
- If demand is held constant, an increase in supply leads to a decreased price
- If there are a lot of Foams/Jordans, they will all sell for an average price
- Decrease in supply leads to an increased price.
- If there is only one jacket, it will sell to the highest bidder at a high price.

RESOURCES, SCARCITY & WANTS

- Resources: items needed to do something
 - Example: oil, workers, money, knowledge
- Scarcity: idea that there is not enough resources to meet the wants of an individual
- Wants: items that make life easier
 - Example: dishwasher, computers

Scarcity

- Not Enough!!
- Must make choices about how to allocate those resources.
 - What should be produced?
 - How should it be produced?
 - For whom should it be produced?
- Ex: If strawberries are scarce, then the supply of strawberries is low. If lots of people want strawberries, the demand is high. If demand is high and supply is low, the price will be high.

Examples of Scarcity

- There are 24 hours in a day, if you play video games for 3 hours, those are three less hours that you could spend on other things.
- Prince George's has a limited amount of land. If they use some land to build a Target, they will have less land for housing, offices, etc.
- A country has a limited number of people, so if it forms an army, there are less people to fill other positions.

Scarcity

- How does scarcity affect us on a state or national level?

- Housing
- Jobs
- Gas
- Transportation

THE RELATION TO GOVERNMENT

GOVERNMENTS MUST BALANCE THE AVAILABILITY OF RESOURCES WITH THEIR WANTS

Scarcity game

- Choose the top 3 things that are most important to you on this list.

- Car
- Cell phone
- Electricity
- TV
- Bed
- Water

Scarcity: How much was there?

- Who got every thing that they wanted?
- How many people didn't get a single thing that they wanted?
- What was there a surplus of?
- What was scarce?
- How did being scarce impact the worth of that item?

Activity: Scarce Resources

- Read the following headlines. In each identify the scarce resource(s).

HEADLINE #1

Governor Wants Asian Oysters Introduced into Chesapeake Bay

HEADLINE #2

Line Already Forming for Ohio State v. Michigan Tickets
On Sale Tomorrow

HEADLINE #3

Community Hit by Hurricane Needs Resources

HEADLINE #4

Drought Hits African Nation

OPPORTUNITY COST

- Opportunity cost: what you must give up when making an economic decision.
- Example: If you are offered the opportunity to go to either Athens or Rome and you choose to go to Athens, the opportunity cost of your decision is the trip to Rome.

Local Health Organizations Fear Flu Vaccine Shortages

- The headline below is an example of which of the following economic concepts?
 - Opportunity Cost
 - Scarcity
 - Economics
 - Trade Off

Opportunity Cost

- Which of these would be an opportunity cost to a government offering a tax break to businesses that invest in new machinery?
 - A. An increase in industrial innovation
 - B. An increase in industrial productivity
 - C. A decrease in the quality of goods exported
 - D. A decrease in the amount of money collected

Name: _____

Date: _____

ECONOMICS REVIEW

PART I: WHO GETS THE HARVEST? Read each description and categorize each as a market, traditional or command economy.

1. The first harvest of the grapes went, as is custom, to the elders in the town.

2. The first harvest was sold to the Sour Grapes Company, since they offered the highest price.

3. The Federal Farm Bureau, a government agency, gave all of the first harvest to the northern counties.

4. At the auction, the first harvest was sold to the highest bidders – a group of foreign businessmen.

5. The first harvest fell short of the planners' objectives and concerns about how to continue the plan continued.

PART II: SOCIO-ECONOMIC GOALS. Select the correct socio-economic goal.

1. **Freedom from government control in the economy for producers and consumers, workers and management**
 - a. Economic productivity
 - b. Economic growth
 - c. Economic freedom
2. **Producing increasing amounts of goods and services over the long term; measured by GDP (Gross Domestic Product) and GDP (total amount of goods and services produced in a nation in a year) per capita (divided by population)**
 - a. Economic productivity
 - b. Economic growth
 - c. Economic freedom
3. **Getting the most economic benefits from limited resources**
 - a. Economic productivity
 - b. Economic growth
 - c. Economic freedom
4. **Fairness in allowing everyone the same economic opportunities**
 - a. Economic security
 - b. Economic equity
5. **Protection against economic risks over which individuals have little or no control**
 - a. Economic security
 - b. Economic growth
6. **People who choose to work have jobs that are suited to their ability and experience, allows 3-5 % unemployment**
 - a. Full employment
 - b. Economic stability

7. Prices remain steady, allows limited inflation

- a. Full employment
- b. Economic stability

PART III: SOCIO-ECONOMIC GOALS & TRADE-OFFS. For each goal and government action below, identify a possible trade-off.

Socio-economic Goal	Government Decision & Action	Possible Trade-offs
DEFENSE	Increase spending on defense to modernize military	
PRODUCTIVITY	Tax cuts for businesses to improve profits	
EMPLOYMENT	Create government jobs	
SECURITY	Increase taxes and spending on social programs	

TYPES OF ECONOMIES

TYPE OF ECONOMY	TRADITIONAL	COMMAND	MARKET
Who decides what to produce?			
Who decides how to produce?			
Who decides for whom to produce?			
Strengths			
Weaknesses			

SOCIO-ECONOMIC GOALS OF THE UNITED STATES

- Government decisions on how to meet socio-economic goals, also have **trade offs**.
 - Whenever the government spends money on achieving an economic goal, this is money not being spent on another worthy goal.
 - That is why the spending decisions of Congress and the President are so important.
 - The government works towards all of its goals, but sometimes it puts more money into certain goals.
- **Economic Freedom** - means there is freedom from government control of the economy. Each person can own private property (such as a car or house) and can choose what to buy from a variety of items, or begin a business.
 - People are free to choose where they want to live and the type of jobs they want to have.
 - Each person can make decisions about what to do with his or her money - spend or save.
- **Economic Growth** - means the expansion of the economy to produce more goods and services, jobs, and, in turn, wealth for the people.
 - In the United States, it can mean setting up job training programs, government aid to businesses, or getting rid of laws that might keep companies from expanding.
- **Economic Productivity** - Means getting the most from limited resources. INCREASING ECONOMIC PRODUCTIVITY MEANS INCREASING THE AMOUNT OF GOODS AND SERVICES PRODUCED.
 - Example: Say you had a lawn mowing job in the summer and that you were able to mow three average sized lawns in a day. Then your boss buys new lawn mower that is self-propelled. Using the new equipment you can mow five lawns in a day. You have just increased your productivity because in the same time limit you can now mow two additional yards. By using better machinery or technology, you increased your productivity.
- **Economic Equity** - means that everyone should be given access to the same economic opportunities. In an economy, this means everyone is given an equal chance for jobs - regardless of sex, age, race, religion, or nationality.
 - Example: when people are making a decision about buying product, they should have truthful information about the product. Advertising should not include fake information about the product.
- **Economic Security** - People like to feel safe and secure. Economic security means that people have some protection from economic difficulties.
 - Example: retired people receive Social Security payments to help cover their costs of living when they no longer work.
 - Health care costs are a large expense for many families. Some companies have health insurance for workers to buy and there are also government programs such as Medicaid and Medicare that help provide **economic security**.
- **Full Employment** - people who choose to work have jobs that are suited to their ability and experience, allows 3-5 % unemployment
- **Economic stability** means that if prices go up and down rapidly, people cannot plan their purchases. Companies need to feel that prices for both their products and the materials that make them will stay about the same. If they don't, a company cannot be sure it will make a profit. Without a profit, a company cannot expand or hire additional people.
- **Other Goals** - high quality public education, national defense, environmental protection, space exploration, technological development, high quality medical care, etc.

Name: _____

Date: _____

PERSONAL BUDGETING

Directions: Use the information provided to help Mike with his personal budget. He makes \$4,500 a month (before deduction – such as taxes). Answer the questions below in the spaces provided.

1. How much does Mike earn per year (gross – before taxes and other deductions)? _____
2. His deductions total \$1,200, how much does Mike bring home each month? _____
3. Using the information in question 2, how much does Mike earn per year (net – after taxes and other deductions)? _____
4. Mike has several fixed expenses. His apartment costs \$1,100/month; utilities are \$100/month. Since Mike is divorced, he has been ordered by the court to pay \$750 per month in child support and alimony (\$500 for his half of the mortgage + \$250 for the one child). How much is left now?

Mike would like for you to help him to budget the remaining amount of his money. He wants to designate a certain percentage for each of the following categories.

CATEGORY	PERCENT	AMOUNT
Clothing (mostly Armani)	15%	\$
Cars (1 BMW, 1 Range Rover)	30%	\$
Food (dines out nightly)	20%	\$
Savings	5%	\$
Church/charity	1%	\$
Phone (cellular)	8%	\$
Phone (at home)	2%	\$
Credit cards	10%	\$
Recreation	5%	\$
Savings (daughter's college fund)	4%	\$
Total	--	\$

Based on the information above, answer the following:

5. Is Mike living large or just living?
6. What changes would you suggest that Mike make?

TOYS FOR ME

by C.D. Crain

On my birthday I asked
My Mother to buy
This baby doll that burps
AND that wooden bird that chirps.

"NO!" was her reply
With that glint in her eye
"But you may choose this doll that burps
Or that wooden bird that chirps."

"But Mommy!" I did cry
"It's unfair to make me choose
I really NEED them both
Or I'll just DIE!"

Mother gave a grin
She pinched my girlish chin
She squeezed my crusty nose
Until I wiped it on my clothes.

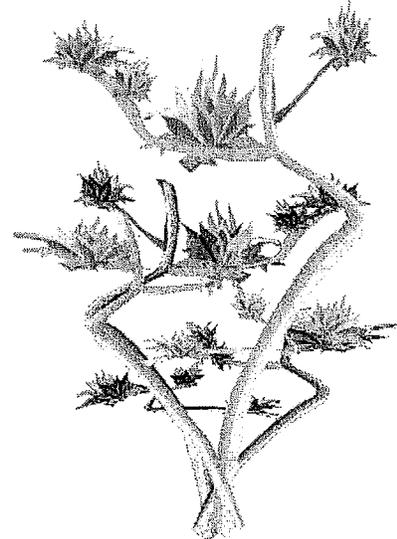
She said, "Time and money
Will always make you choose
Remember: this OR that
It's a rule you mustn't lose."

On Christmas Eve I asked
My Mother to buy
This pink and purple bike
AND that shiny kite I like.

Mother shook her head,
"Now Scarcity, you know I said
You may choose between this bike
OR that shiny kite you like."

"But Mommy," I did cry
I can't pick and choose.
I really NEED them both
Or I'll just DIE!"

Mother softly said
"Do you think that toys are free?
That toys grow like leaves on a MAGIC TREE?"



This AND that -
The world can never be.
It's this OR that -
Can't you see?"

"ENOUGH!" I yelled, "ENOUGH!
I'm tired of all this STUFF..."

This isn't fair; it isn't right
I NEED more toys to play and use
So give me every toy I like...
It's just not right to MAKE ME CHOOSE!"

Well...

I saw Mother wink at the big black clock
That was hanging on the wall singing tick-tick tock
And then, I'm not kidding, the clock began to talk
It said, "Refuse to choose and you will LOSE!"

Pouting, I was sent to my room for a spell
I guess to be punished for my childish yell
But after an hour I was happy to see...
In my room, growing tall, was a giant magic tree.

The tree pierced the roof. My room was filled with sunny light
I grabbed a lowly branch and climbed up to the eaves
What a FEELING! How AMAZING! What an awesome sight!
Toys began to sprout, just like leaves.

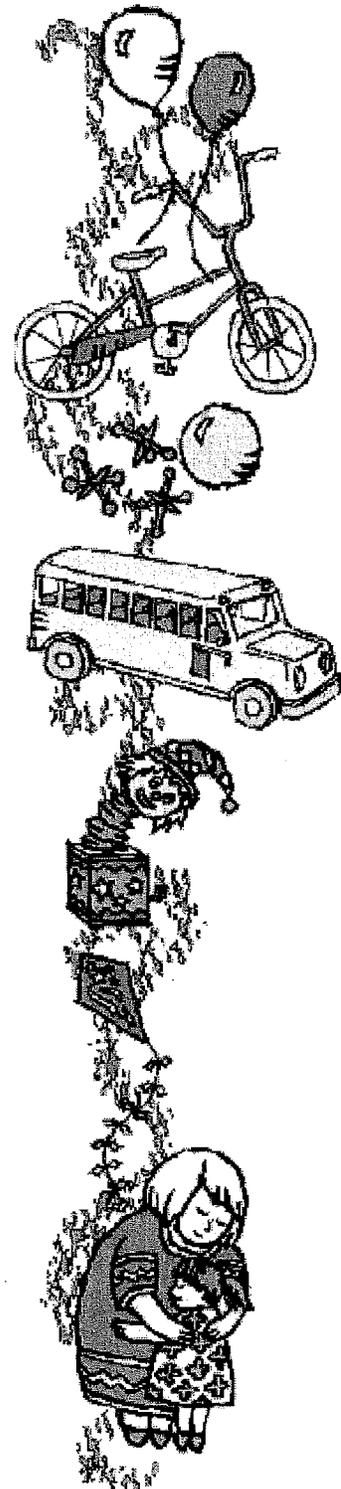
Toys, toys, the tree was filled with toys
Lots of toys, like big bright bikes
And other things that make loud noise.

Toys beyond my WILDEST dreams -
Pretty dolls, lots of balls, and super toy machines.

I squeezed the dolls
I hugged a ball
I stroked the trucks
I loved them all.

Then balanced on my toes with poise
I quickly started plucking toys.

To reach every limb I used a broom
I picked my toys by the sun, then the moon
Not once did I use my time to choose -
I was busy throwing every toy, on the floor inside my room.



Finally, I reached the tree's tip-top
And grinning, there on top, was that big black clock
It made not a sound - not one tick-tick tock
For time had stopped
What a tick-tick SHOCK!

The clock smirked and said: "I don't like to fuss
But Scarcity, dear girl, your time is up
This OR that - this rule you did abuse
Because you would not choose, it's time for you to lose."

I grabbed that clock; it was such a brat
Then I whacked it HARD, with the broom as a bat
I screamed, "NO MORE RULE
NO MORE THIS OR THAT!"

Silence, then a sigh - the clock was gone like a snap.

Now that there were no more toys on the tree
I climbed down, quickly, feeling fine and free
For there was no more clock to be
A source of time to punish me.

Besides, I had toys in my room to see.

OH! ... NO! ...
I rubbed my blurry eyes
All my toys were smashed and crushed -
Just a heap of junk and some buzzing flies.

My eyes, so tired, slowly closed to sleep
I awoke, the tree was gone - no sounds, not one peep
I sniffed, rubbed my nose, and slept some more
And dreamed of the toys that were mine before.

LOVE! REJOICE!
I heard my Mother's voice
With Christmas cheer, she called my name
I was relieved; she looked the same.

And that black clock?
It looked real swell
And the sound of time made me feel well.

Such a special Christmas
I hugged Mommy - what a saint
I got to CHOOSE the perfect gift ...
It was the bike, without complaint.



Name: _____

Date: ____/____/2012

TOYS FOR ME

REVIEW QUESTIONS

1. Scarcity does not understand the difference between "this AND that" and "this OR that". What is the difference?

2. Why does Scarcity want every toy on the magic tree?

3. There are 10 gifts on a tree. Select two gifts. Mother says it's OK to get one of the two gifts, but not both. You must choose between two gifts. What is the opportunity cost of this choice?

WE DO WHAT WE'RE TOLD VILLE

VALUES AND GOALS

VALUES	You've accepted a government which is run by a very strict and strong central leadership group. You're highly organized and the people of your group are assigned specific tasks by the leader. Your country strives for efficient use of time and resources, which will increase economic growth and hopefully raise the standard of living. It is up to the central leaders to determine what is needed and how the resources will be used.
GOALS	To produce what the central leadership finds necessary for your society. Also, there must be an efficient use of time and resources so increased production and growth will occur.
SITUATION	With your limited resources of string, beads, ruler and scissors you can create rings, necklaces or bracelets. Your group gets \$10 for a necklace, \$5 for each bracelet and \$2 for each ring. Your country needs 5 bracelets immediately, and then the central planners want necklaces to be produced by your group.
PRODUCTION PROCESS	The central planners emphasize specialization. The person sitting closest to the front of the room will be the string cutter, then going clockwise around the group; the next person will be the bead sorter, then the bead stringer, knot tier and knot trimmer. A bracelet must be made from a 12 inch piece of string with 8 beads on it, in this sequence: 2 red, 2 yellow, 2 blue, and 2 green. A necklace is made with a 20 inch piece of string and 10 beads in this sequence: 3 yellow, 3 blue, 2 green, and 2 red. After the beads are on the string it should be tied in a knot and the knot should be neatly trimmed. The finished product is then handed to the quality control person who marks down the dollar amount. Your group will receive \$10 (dollars) per person if the required quota is filled. After that, the dollars earned by your production will go to the central planners and will not be added to your total dollar amount.

THAT'S THE WAY WE'VE ALWAYS DONE IT VILLE

VALUES & GOALS

VALUES	Your group is really concerned with the way things were done in the past. Positions of authority, jobs, etc. are handed down according to tradition. You value the past and see no need for concern about increased economic growth in the future. Basically everything in your society is determined by beliefs and customs.
GOALS	To produce what your ancestors did and in the same way that they did. Following tradition is your basic underlying goal.
SITUATION	With your present limited resources of string, beads, ruler, and scissors you can create rings, necklaces, or bracelets. Your group gets \$10 for each necklace, \$5 for each bracelet and \$2 for each ring. Your country has always produced bracelets so everyone must produce bracelets.
PRODUCTION PROCESS	Each person must make the entire bracelet, no specialization of tasks. The person designated by the teacher will use the string, ruler, and scissors first and then pass it clockwise around the table. Each bracelet must be made with a 12 inch piece of string with 8 beads on it in this sequence: 3 red, 2 yellow, and 3 green. After the beads are on the string it should be tied in a knot to finish the bracelet. The knot should be neatly trimmed off, as done by past generations. After each bracelet is finished it must be passed around the group clockwise and each member must tell the maker how beautiful it is. (This is an old tradition of our country.) The maker then hands it to the quality control person who records the \$5 if all procedures are followed correctly. According to tradition each person can only make 1 bracelet every 15 minutes before starting the second one. So after you complete your first one, relax for 15 minutes before starting the second one.

MAKE AS MUCH AS WE WANT VILLE

VALUES & GOALS

VALUES	Your country and economic system reflects values which center around rugged individualism. It is up to each person to make herself/himself more prosperous than other people. Your country produces whatever brings the highest price and produces it with the method that costs the least. Individual rewards and material incentives are used to encourage and stimulate continuous economic growth and production.
GOALS	To produce whatever your group decides will be most beneficial for it. You will also want to organize yourselves so you can make the most efficient use of time and resources. Maximized profit is the key.
SITUATION	With your present limited resources of string, beads, ruler, and scissors you can create rings, necklaces, or bracelets. Your group gets \$10 for each necklace, \$5 for each bracelet and \$2 for each ring. Your group produces whatever it wants.
PRODUCTION PROCESS	It is up to you to organize your group and choose jobs in whatever fashion you want. (You should have a string cutter, bead sorter, bead stringer, and knot tier). A ring must be made from a 6 inch piece of string with 4 beads in this sequence: 1 red, 1 yellow, 1 blue, and 1 green. A bracelet must be made from a 12 inch piece of string with 8 beads on it in this sequence: 2 red, 2 yellow, 2 blue, and 2 green. A necklace is made with a 20 inch piece of string and 10 beads in this sequence: 3 yellow, 3 blue, 2 green, and 2 red. After the beads are on the string it should be tied. You may trim the knot neatly if you want. After the tying is done the finished product must be handed to the quality control person. Your group will be paid in full for as many of the items as you can produce within the time limit.

Name: _____

Date: _____

WHO GETS THE HARVEST?

Read each description and categorize each as a market, traditional or command economy.

1. The first harvest of the grapes went, as is custom, to the elders in the town.

2. The first harvest was sold to the Sour Grapes Company, since they offered the highest price. _____
3. The Federal Farm Bureau, a government agency, gave all of the first harvest to the northern counties. _____
4. At the auction, the first harvest was sold to the highest bidders – a group of foreign businessmen. _____
5. The first harvest fell short of the planners' objectives and concerns about how to continue the plan continued. _____

Name: _____

Date: _____

SOCIO-ECONOMIC GOALS

Select the correct socio-economic goal.

1. **Freedom from government control in the economy for producers and consumers, workers and management**
 - a. Economic productivity
 - b. Economic growth
 - c. Economic freedom
2. **Producing increasing amounts of goods and services over the long term; measured by GDP (Gross Domestic Product) and GDP (total amount of goods and services produced in a nation in a year) per capita (divided by population)**
 - a. Economic productivity
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3. **Getting the most economic benefits from limited resources**
 - a. Economic productivity
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 - c. Economic freedom
4. **Fairness in allowing everyone the same economic opportunities**
 - a. Economic security
 - b. Economic equity
5. **Protection against economic risks over which individuals have little or no control**
 - a. Economic security
 - b. Economic growth
6. **People who choose to work have jobs that are suited to their ability and experience, allows 3-5 % unemployment**
 - a. Full employment
 - b. Economic stability
7. **Prices remain steady, allows limited inflation**
 - a. Full employment
 - b. Economic stability

Name: _____

Date: ____/____/20

TYPES OF ECONOMIES

ONE MORE TIME. . . TRADITIONAL, MARKET OR COMMAND??

1. *Chik Fil-A* does not open on Sundays.

2. A new skateboard shop has opened at the local mall.

3. The U.S. Postal Service charges .37 for a postage stamp.

4. Professional athletes sign multi-million dollar contracts in their first year after college. _____

5. The software for the new computer system was sold to the company that offered the highest price. _____

P.E.S.

Name _____
Date _____ Period _____

Kingdom of Mocha

1. What kind of economy did Mocha have at the beginning of the movie? What were some of the problems with that type of economy?
2. What did they use to fix the problem with their economy?
3. Why did Mocha's economy thrive?
4. What was traded among the islands?
5. Why did Pavlow incorporate his company?
6. How did Big Daddy rescue the economy of Mochan government? What determined how many clams a person paid?
7. Why did people get mad at Pavlow? What did he do to remedy the problem?

8. How did the storm affect the Mochan economy? What was the result of the scarcity?
9. What was the trouble with the price freeze that Big Daddy imposed?
10. What did not stop during the recession? Who benefited?
11. How did automobiles affect the economy of Mocha? Who else benefited from Cousin Henry's autos?
12. What had to happen for the Greater Mochan Lumber Company to locate wood internationally? How did this affect the price of wood?
13. How did the war affect the Kingdom of Mocha?
14. What needs to happen for the wood industry to get back on track? What are the options?

