# Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Period \_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# **Global Economies**

# **Ch 3 Sec 1 – What is an Economy?.1**

# **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.