**Economic Systems, Goals, and Allocation Strategies**

**What are the 3 Basic Economic Questions that must be answered by every society?**

1.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to produce; 2.\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to produce; 3. \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to produce.

**Economic Systems - Matching**

*Economic Systems Traditional Economy Command Economy Profit*

*Market Economy Mixed Economy Consumer Sovereignty Competition*

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 1. Economic System in which Consumers & Producers drive the economy. Exchange is free and voluntary. Resources are allocated according to individual self-interest.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 2. Financial gain a seller makes from a business transaction. The money left over after all costs are deducted from the income gained from production of a good or service.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 3. The way that a society uses its scarce resources to satisfy people’s unlimited wants.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 4. The idea that consumers have the ultimate control over what is produced because they are free to buy what they want and refuse to buy what they don’t want.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 5. causes commercial firms to develop new products, services and technologies to make more profits by taking customers from other businesses that produce similar goods & services.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 6. Economic System in which people make economic decisions based on customs, and beliefs passed down from generation to generation.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 7. an economic system that has elements of command, market, and traditional systems.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 8. Economic system in which the government controls all economic decisions.

**Economic Goals - Matching**

*economic freedom economic equity economic security economic growth*

*economic efficiency price stability full employment economic sustainability*

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 12. Maintaining an upward trend of Economic Productivity (Real GDP) over time.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 13. Ensuring that all who are able and willing to work have an opportunity to do so.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 14. ability of consumers and producers to make their own economic decisions.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 15. Making sure that prices in an economy don't change much over time.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 16. Ensuring fair and just distribution of resources to everyone in a society.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 17. Protecting individuals and businesses from economic risks

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 18. Every resource is optimally allocated to serve each individual or entity in the best way while minimizing waste.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 19. Steady increases in the production of goods and services over a period of time.

**Allocation Strategies – Multiple Choice**

\_\_\_\_\_\_\_\_\_\_\_ 20. When residents of a city vote to pass a sales tax referendum to pay for new schools, it is using which allocation strategy?

1. Authority
2. Majority Rule
3. Lottery
4. Force

\_\_\_\_\_\_\_\_\_\_\_ 21. When Kim Jong Un made the decision to dismantle North Korea’s nuclear weapons program, the strategy for re-allocating scarce resources away from weapons was?

1. Authority
2. Majority Rule
3. Lottery
4. Force

\_\_\_\_\_\_\_\_\_\_\_\_ 22. Which allocation strategy was used by LSU when it awarded Ashton a full scholarship to play soccer at LSU?

1. Authority
2. Majority Rule
3. Personal Characteristics
4. Lottery

\_\_\_\_\_\_\_\_\_\_\_\_ 23. Which of the following **IS NOT** an economic strategy for allocation of scarce resources?

1. Force
2. Price
3. First Come, First Serve
4. Karma

\_\_\_\_\_\_\_\_\_\_\_\_ 24. Which of the following IS NOT considered a public good or service?

1. Clothing provided to the homeless by a Goodwill Store
2. A youth baseball league at Ocee Park
3. Education classes provided by Chattahoochee High School
4. Military Protection by the United States Navy

\_\_\_\_\_\_\_\_\_\_\_\_ 25. Which of the following IS NOT a role that government plays in our economy?

1. Provides public goods and services
2. Owns and controls all factors of production
3. Resolves market failures
4. Protects and preserves property rights