

What?
How?
For Whom?

Economic systems

a set of rules made by a country that governs the production and distribution of goods and services

Let's go

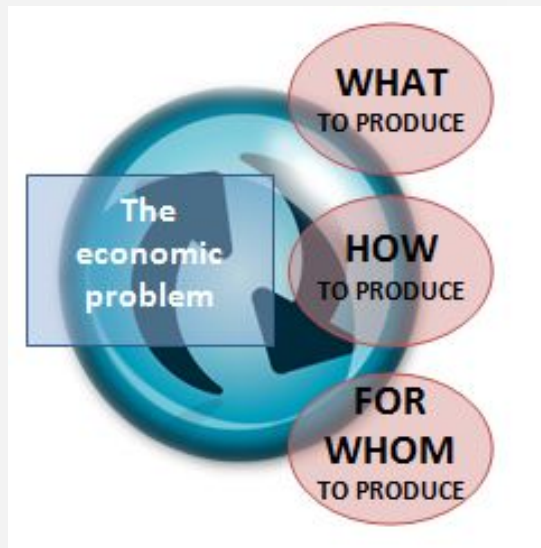
Everyone has economic needs and wants. People are consumers of goods or services. Some people are sellers of goods and services. People are economic decision-makers.

Let's go

Do people only work for money?
What other motivation is there to work?



Let's go



Nations, like people, have to make choices. The process by which a country fulfills needs and wants is known as the **economic system**. Every country has developed an economic system. An **economic system** is a set of rules that a country uses to decide **what goods and services to produce, how to produce the goods and services, and who will consume the goods and services.**

Intro task

Free enterprise

an economic system in which individuals, rather than the government, make the decisions about production and distribution of goods and services.

Market economy

an economic system that is a combination of the different economic systems

Traditional economy

an economic system in which the government usually decides what to produce, how to produce it, and who will consume it.

Command economy

an economic system that is based on what has been done in the past.

Mixed economy

an economic system in which individuals following their self-interest makes the decisions about productions and distributions.

Intro task

Free Enterprise: an economic system in which individuals, rather than the government, make the decisions about production and distribution of goods and services.

Market Economy: an economic system in which individuals following their self-interest makes the decisions about productions and distributions.

Traditional Economy: an economic system that is based on what has been done in the past.

Command Economy: an economic system in which the government usually decides what to produce, how to produce it, and who will consume it.

Mixed Economy: an economic system that is a combination of the different economic systems.

Vocabulary

a consumer	commodity
traditions	a buyer
goods	benefits
advantages	customs
reduce	drawbacks
disadvantages	produce
make	cut
increase	shortage
lack	trade
commerce	raise

**Decide whether it represents a market, traditional, command or mixed economic system.
Have reasons to support your answer.**



Joe became a plumber because his father and grandfather were plumbers.

I guess that...

In my opinion,..

To my mind,..

From my point of view,..

It seems to me that...

I would say that...

**Decide whether it represents a market, traditional, command or mixed economic system.
Have reasons to support your answer.**



I guess that...

In my opinion,..

To my mind,..

From my point of view,..

It seems to me that...

I would say that...

Madison believes that her community needs another restaurant, so she decides to open a new restaurant.

**Decide whether it represents a market, traditional, command or mixed economic system.
Have reasons to support your answer.**



The Cuba Planning Commission decides how many pounds of sugar that should be produced in Cuba.

I guess that...

In my opinion,..

To my mind,..

From my point of view,..

It seems to me that...

I would say that...

**Decide whether it represents a market, traditional, command or mixed economic system.
Have reasons to support your answer.**



Cuban doctors are employees of the state,
any fee they charge for home treatment is
regulated by the state.

I guess that...

In my opinion,..

To my mind,..

From my point of view,..

It seems to me that...

I would say that...

**Decide whether it represents a market, traditional, command or mixed economic system.
Have reasons to support your answer.**



Cuban doctors may treat patients at home for a fee.

I guess that...

In my opinion,..

To my mind,..

From my point of view,..

It seems to me that...

I would say that...

**Decide whether it represents a market, traditional, command or mixed economic system.
Have reasons to support your answer.**



To increase her income, Susan makes pillows and sells them at a local flea market.

I guess that...

In my opinion,..

To my mind,..

From my point of view,..

It seems to me that...

I would say that...

**Decide whether it represents a market, traditional, command or mixed economic system.
Have reasons to support your answer.**



Mr. Smith is retired and collects Social Security.(социальное страхование)

I guess that...

In my opinion,..

To my mind,..

From my point of view,..

It seems to me that...

I would say that...

**Decide whether it represents a market, traditional, command or mixed economic system.
Have reasons to support your answer.**



Morgan bought a new pair of jeans because her old ones were torn.

I guess that...

In my opinion,..

To my mind,..

From my point of view,..

It seems to me that...

I would say that...

**Decide whether it represents a market, traditional, command or mixed economic system.
Have reasons to support your answer.**



Whitney bought annual tickets to the theater. She buys tickets every year.

I guess that...

In my opinion,..

To my mind,..

From my point of view,..

It seems to me that...

I would say that...

**Decide whether it represents a market, traditional, command or mixed economic system.
Have reasons to support your answer.**

Curt Jones decided to produce Dippin' Dots® Ice Cream. The Kentucky Department of Health has regulations concerning the clothing the workers wear.

I guess that...

In my opinion,..

To my mind,..

From my point of view,..

It seems to me that...

I would say that...

**Decide whether it represents a market, traditional, command or mixed economic system.
Have reasons to support your answer.**

Sandra and her family live in housing that the federal government provides.

I guess that...

In my opinion,..

To my mind,..

From my point of view,..

It seems to me that...

I would say that...

**Decide whether it represents a market, traditional, command or mixed economic system.
Have reasons to support your answer.**



I guess that...

In my opinion,..

To my mind,..

From my point of view,..

It seems to me that...

I would say that...

Mr. Derek Johnson owns a shirt factory. O. S. H. A. (Occupational Health and Safety Administration) checks to make sure the employees work in a safe environment.

Practice

	TRADITIONAL SYSTEM	COMMAND SYSTEM	MARKET SYSTEM
<i>WHAT TO PRODUCE?</i>			
<i>HOW TO PRODUCE?</i>			
<i>FOR WHOM TO PRODUCE?</i>			

Practice

	TRADITIONAL SYSTEM	COMMAND SYSTEM	MARKET SYSTEM
<i>WHAT TO PRODUCE?</i>	By custom – whatever was produced in the past	The government decides what should be produced The government owns most of the means of production	Consumer choices dictate the success of goods/services
<i>HOW TO PRODUCE?</i>	By custom – however items were produced in the past	The government does the planning for production: factory locations, the occupations of workers and their salaries	Business leaders choose the means of production Their goal is the most efficient and profitable methods
<i>FOR WHOM TO PRODUCE?</i>	By custom – whoever usually received products will again receive them	The government controls the distribution system for goods/services: housing, transportation, consumer items and sets prices	The consumers' income determines who receives which goods/services

Final task

Imagine you are talking to a friend about the latest news.

Student A. You believe that the planned economy is the best one.

Student B. You believe that the market economy is the best one.

Student C. You believe that the traditional economy is the best one.

- why the system is good for the economy

- why it is good for society

Final task

Personal Point of View

In my experience...

As far as I'm concerned...

In my opinion...

Personally, I think...

I'd say that...

I'd suggest that...

I'd like to point out that...

I believe that...

What I mean is...

General Point of View

It is thought that...

Some people say that...

It is considered...

It is generally accepted that...