Economic Systems

Prentice-Hall Chapter Two
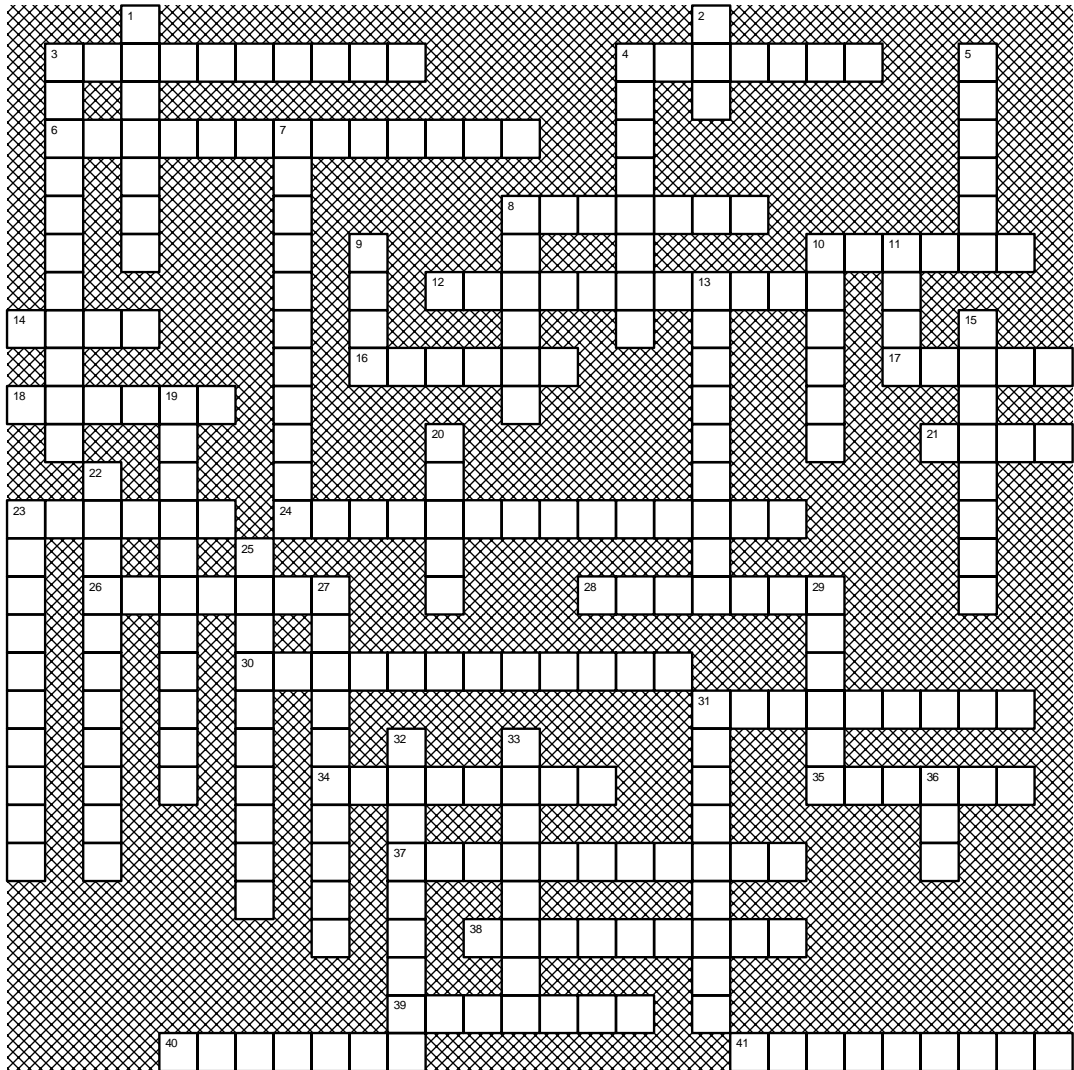
Name: _____

Period: _____

Across

3. China is in _____, a period of change in which an economy moves away from central planning toward a market-based system.

4. Goods and services that firms produce are purchased by households in the _____ market.

6. _____ governments exact strict obedience from their citizens and do not allow individuals freedom of judgment and action.

8. Free market economies have the highest degree of economic _____ of any system.

10. Most people feel that the government should provide some kind of _____ net, or set of government programs that protect people experiencing unfavorable economic conditions.

12. Most people don't like ___, or the knowledge that we might not be able to get milk and bread every time we go to the grocery store.

14. The invisible hand means that consumers get the products they want at prices that closely reflect the _____ of producing them.

16. Firms purchase factors of production from households in the _____ market.

17. A market-based economic system in which government plays a limited role is a _____ economy.

18. Economic decisions are made by individuals and are based on exchange, or trade, in a _____ economy.

21. Each society must decide _____ to produce in order to satisfy its needs and wants.

23. The financial gain made in a transaction (and the return to entrepreneurship).

24. The concentration of the productive efforts of individuals and firms on a limited number of activities.

26. _____ property is property that is owned by individuals or companies, not by the government or the people as a whole.

28. In the Soviet Union it was _____ for workers to exhibit entrepreneurial behavior.

30. As markets have evolved since Smith's time, government _____ has become greater.
31. Consumers getting the products they want at the lowest cost in a free market was called by Adam Smith the _____ hand of the marketplace.
34. Governments create laws protecting _____ rights and enforcing contracts.
35. Because competition encourages innovation, free markets encourage _____.
37. In a free market consumers decide what gets produced. This is called consumer _____.
38. A social and political philosophy based on the belief that democratic means should be used to distribute wealth evenly throughout a society.
39. The doctrine that government should not intervene in the marketplace is _____ faire.
40. An economy in which the central government alone decides how to answer all three key economic questions is a _____ economy.
41. A centrally planned economy with all economic and political power resting in the hands of the central government is _____.

Down

1. Soviet consumers wasted hours _____ in line to purchase goods and services.
2. The second economic question is _____ to use our resources to produce goods and services.
3. A _____ economy relies on habits, custom, or ritual to decide the answers to the basic economic questions.
4. The 5th and 14th Amendments to the U.S. Constitution declare that no person may be deprived of 'life, liberty or _____' without due process of law.
5. An arrangement that allows buyers and sellers to exchange things.
7. In a free market system, _____ answer the three key economic questions.
8. Firms purchase factors of production from households in the _____ market.
9. According to Adam Smith, it is, in fact, competition and our own _____-interest that keep the marketplace functioning.
10. An economic _____ is the method used by a society to produce and distribute goods and services.
11. A business, or _____, is an organization that uses resources to produce a product.
13. An _____ is the hope of reward or the fear of punishment that encourages a person to behave in a certain way.
15. Markets allow us to ___ the things we have for the things we want.
19. A free market responds _____ to rapidly changing conditions.
20. Adam _____ published a book called The Wealth of Nations.
22. The struggle among producers for the dollars of consumers.
23. To make the transition from central planning to a market based economy state firms must be _____.
25. Market economies are also called free markets, or _____.
27. An economic system characterized by private or corporate ownership of capital goods is called free _____.
29. A nation's economy must grow for a nation to improve its standard of _____.
31. In a centrally planned economy workers lack any _____ to work hard.
32. A person or group of people living in the same residence.
33. In the United States, the economic _____ that we as Americans enjoy are an important reason for our patriotism.
36. _____ consumes goods and services is determined b how societies choose to distribute income.