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Guided Reading

International Trade and Economic Systems

Lesson 2 Economic Systems and Development

ESSENTIAL QUESTION

• Why and how do people make economic choices?

Market Economies

- **Explaining** Answer these questions about market 1. economies.
 - Who owns the factors of production? ______
 - Who makes the major economic decisions?
 - What are the factors of production? ______
 - How are the prices of goods and services set?
- 2. **Contrasting** As you read, complete the chart to list the positive and negative characteristics of a market economy.

Market Economy Characteristics			
Positive	Negative		
•	•		
•	•		
	•		
•			
	•		

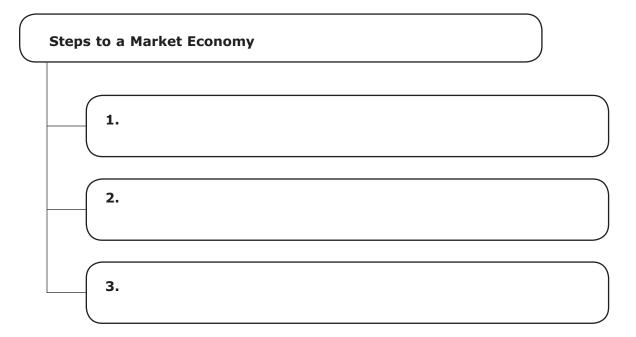
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Command Economies

- Explaining Answer these questions about command 3. economies.
 - Who owns the factors of production? ______
 - Who makes the major economic decisions?
 - What is one advantage and one disadvantage of command economies?
 - How does growth in command economies compare with growth in market economies?
- **Sequencing** Show the steps that countries take when 4. they switch from a command economy to a market economy.



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Mixed Economies

Describing As you read, add details to the chart to 5. describe the economy in the United States.

U.S. Economic System				
• The United States is not a pure market economy because				
• A mixed economy				
The United States is considered				
• define the U.S. economy.				
The U.S. government provides				
• Examples of U.S. government intervention include				

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Developed and Developing Countries

Organizing As you read, complete the chart by listing 6. the characteristics of developed, newly industrialized, and developing countries. Then list the obstacles to development for all of them.

Developed Countries	Newly Industrialized Countries	Developing Countries	Obstacles to Development