

LA's Economic Systems

CLOZE Notes I

ECONOMIC SYSTEMS

Let's Review

- Do you remember the three questions that every country must answer when developing its economic plan?
 - _____ will be produced?
 - _____ be produced?
 - _____ the goods/services?
- The way a country answers these questions determines its _____ (Traditional, Command, or Market).

Traditional

- This system answers the three economic questions based on traditional _____ of the past.
- The values and traditions have been _____ to generation.
- Some _____ in Latin America have traditional economies where the people still follow the way of life of their ancestors.

Command

- This system answers the three economic questions through _____.
- The _____ of the country's economic decisions: prices of goods, wages of workers, goods to be made, etc.
- This system is _____; because of this, there are no PURE command countries in the world today.
- Some _____: Cuba, former Soviet Union, North Korea, former East Germany, etc.
- All of these countries have the same type of government: _____!
- The government is _____ of everything.

Market

- This system answers the three economic questions based on _____ in the market place.
- The goods and services produced are determined by what the people _____.
- The government _____ over the economy; private citizens answer all economic questions.