

Unit 4 :European Economies Guided Notes

Learning Objective: I will be able to understand and analyze different economic systems.

What Is Economy ?:

- All of the activities people do to earn a living are a part of a system called the _____.
- Economy =
- What does the economy include?
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 -
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- Economics is the study of _____, distribution, and use of goods and _____.
- Economics aims to answer the following questions:
 - _____ to produce?
 - _____ produce it?
 - _____ to produce it?

Traditional Economy:

- Exchange of _____ and _____ based on custom and _____.
- In a traditional economy, the customs and habits of the past are used to decide what and how goods will be _____, _____, and consumed.
- Jobs are handed down from _____ to generation.
- There is no government leader to tell the people what to do. The people realize their _____ and do the necessary _____.
- The people in a traditional economy produce what they need to survive.

Command Economy:

- An economy in which the _____ owns the industries and makes the economic decisions.
- The government makes the basic economic decisions. The **GOVERNMENT** determines what goods and services to produce, the _____, and the _____ workers will be paid.

Market Economy:

- Most _____ and farms are owned by individual owners or _____ (groups of people).
- The owners/people decide what to produce.

Market Economy: Supply and Demand

- The law of _____ and _____ determines the price people pay for things.
- Supply :
- Demand :

Mixed Economy:

- An economy that has characteristics of both _____ AND _____.
- There are no pure (totally) command or pure (completely) market economies.
- All _____ have characteristics of both command and market and are referred to as MIXED.

European Economies: U.K., Germany, and Russia

European Union:

- The European Union (EU) is an _____ of European countries as a unit with internal free trade and common external tariffs.
- The EU was created to establish _____.

- The purpose of the EU is to promote _____, security, and _____ through cooperation among its member states.

Currency Exchange:

- Different countries have currencies where their money has a different value in comparison to others
- The European Union makes currency among European nations easier to exchange and transfer
- If a country is not within the EU those wanting to convert their _____ must go to a _____.

3 Types of Resources:

- _____ are the education and skills that people have to produce goods and services.
- _____ are things like machines and equipment that people need to produce goods and services.
- Natural resources are “_____” such as forests, water, minerals, and fertile soil

Gross Domestic Product (GDP):

- The _____ (GDP) of a country is the total value of all the goods and services produced in a country in _____.
- The GDP is one way of telling how _____.
- The GDP is a good way to compare the wealth of different countries.

High GDP=

Low GDP=

- _____ the GDP of the country can mean (higher or lower) standard of living or better economic level for the people.
- One way to increase the GDP is to invest in _____ (people).

Human & Physical Capital:

- Human Capital is the money a country spends on _____, and improving the skills and health of the workers/people.
- The literacy rate (percentage of people who can _____ and _____) of each country is nearly 100%.

- Russia has the most poverty of the 3 countries. The Russian government is investing (spending large amounts of money) to train workers and educate the youth.
- Another way to raise the GDP is to invest in physical_____.
- Physical capital is the_____technologies, buildings, and property needed by businesses to operate.
- If a business is going to be successful, it must keep the buildings in good _____ and the _____ up to date.

Trade:

- Trade is the voluntary exchange of goods and services among people and countries.
- Trade occurs when buyers and sellers willingly participate in market transactions.
- Countries sometimes try to limit trade by creating what?
 - a. Obstacles
 - b. Trade barriers
 - c. Higher GDPs
 - d. Increasing trade
- Countries try to_____,_____, or slow down the amount of goods coming into their borders.

• Examples of trade barriers:

- 1.
- 2.
- 3.

Tariff:	Quota:	Embargo:
Imports are goods	Once the quota (amount)	The embargo might be

purchased from other countries	has been reached no more imports will be allowed into a country.	enacted to put pressure on another country.
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What Is Entrepreneurship?:

- The person who takes a risk and provides the money to _____ a business is called an _____.
- An entrepreneur has an idea and is willing to take a risk to make their business a success.

United Kingdom:

- The United Kingdom has a _____.
- It's actually closer to a Market economy than any other European country.
- UK is economically strong.

United Kingdom: Natural Resources & Land Use

- The U.K.'s natural resources consist of coal, petroleum, natural gas, arable land, and more.
- _____ of the land is _____ (capable of being farmed)?
- Major agricultural products include: Cereals, oilseed, potatoes, vegetables, cattle, sheep, poultry, & fish.

United Kingdom: Industries

- The U.K. produces machine tools, electric power equipment, automation equipment, railroad equipment, shipbuilding, aircraft, paper, and more

United Kingdom: Literacy & Unemployment

- _____ of people in the U.K. over the age of 15 can read and write
- Students in the U.K. are required to stay in school for _____ years

United Kingdom: Economic Struggles

- Unemployment
- Over depletion of natural resources (pollution)
- Improving public services(which forces the country to spend money)

Germany:

- Germany has a _____.
- After reunification in 1990,East Germany had to move away from a _____ economy.
- Germany's natural resources are Coal, lignite, natural gas, iron ore, copper, nickel, uranium, potash, salt, and construction materials.

Germany: Agriculture & Industry

- _____ of Germany's land is arable
- Germany's major agricultural products are: potatoes, wheat, barley, beets, fruit, cabbages, cattle, pigs, and poultry.
- Germany is among the world's (smallest or largest) and most technologically advanced producers of iron, steel, coal, cement, chemicals, and machinery (_____)

Germany: Literacy & Unemployment

- 99% of people in Germany over the age of 15 can read and write
- Students in Germany are required to stay in school for _____.
- _____ of people in Germany do not have jobs

Germany: Economic Struggles

- The former East Germany's decayed economy continues to be a burden on the country as Germany has since been reunited.
- Unemployment is an issue in the country as well.

Russia:

- Russia has a _____.
- Russia's economy has been moving away from a _____ and more towards a free _____ economy since the fall of the Soviet Union.
- Russia leads the world in oil production and has major deposits of oil, natural gas, coal, many minerals, and timber.

Russia: Agriculture & Industry

- _____ of Russia's land is arable, the _____ makes growing crops difficult.
- Russia's major agricultural products are: grain, beets, sunflower oil, etc.

- Russia produces coal, oil, gas, chemicals, metals, machines, aircrafts, space vehicles, shipbuilding, tractors, etc.

Russia: Literacy & Unemployment

- _____ of people in Russia over the age of 15 can read and write
- Students in Germany are required to stay in _____.
- 5.7% of people in Germany do not have jobs.

Russia: Economic Struggles

- Natural resources are difficult to use because of the _____, size and few navigable rivers.
- Moving away from the former _____ (where the government made all of the decisions), and letting the public have a greater influence on the economy.