## Economic Systems

How do countries organize economic activity? FUNDAMENTAL ECONOMIC CONCEPTS

#### **Economic Continuum**

How do economic systems influence the choices of individuals, businesses, and governments?

#### Who Decides?

## **Command Economy**

Economic decisions are made by the government



#### **Who Decides?**

- What goods and services should be produced?
- How should goods and services be produced?
- For whom should goods and services be produced?

## Mixed Economy

Some economic decisions are made in the market, while the government makes other decisions



#### Who Decides?

- What goods and services should be produced?
- How should goods and services be produced?
- For whom should goods and services be produced?

#### Market Economy

Economic decisions are made in the market



#### **Who Decides?**

- What goods and services should be produced?
- How should goods and services be produced?
- For whom should goods and services be produced?

**Broad Social Economic Goals** 

# How do economic and social goals shape the decisions of economic agents in a country?

As societies strive to achieve these goals, they must make choices. Some of these goals are complementary while others involve trade-offs.



## **Economic Freedom**Are individuals and businesses

free to make economic decisions?



businesses to protect against risks?





#### Are economic opportunities

**Economic Equity** 

and outcomes fair?

### How can we increase the standard

**Economic Growth** 

of living for people?





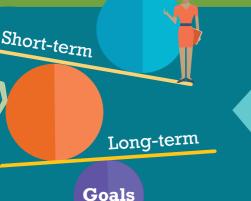
## Are scarce resources allocated in the best way possible?

**Economic Efficiency** 

## How do we keep the economy stable so individuals and businesses can feel secure and plan?

**Price Stability and Full Employment** 

can feel secure and plan?



**Economic Sustainability** 

Is there a balance between short- and long-term economic goals?

