**Chapter 2 Economic Systems and Decision Making**

**Exam 2 Wednesday**

 **(3/2/16)**

**Objectives:**

**Section1**

* **I can define the term economic system.**
* **I can describe how traditional societies use ritual, habit, or custom, to answer the basic questions of what , how, and for whom to produce.**
* **I can describe how command economies rely on a central authority to make most of the economic decisions.**
* **I can describe how in a market economy, consumers and businesses jointly answer the questions of what , how, and for whom to produce.**
* **I can describe mixed economies.**

**Section 2**

* **I can list and describe the seven common economic and social goals we share as Americans .**

**Section 3**

* **I can describe the characteristics of a free enterprise system.**
* **I can describe the positives and negatives of the free enterprise system.**
* **I can list and describe the role of entrepreneurs , consumers, and governments in a free enterprise system.**
* **I can make connections ( current events or past events) to the ideas /terms described in this chapter.**

**Vocabulary to know:**

1. **Economic system**
2. **traditional economy**
3. **command economy**
4. **Market economy**
5. **Mixed economy**
6. **market**
7. **capitalism**
8. **socialism**
9. **communism**
10. **stagnation**
11. **allocate**
12. **emphasizing**

**section 2**

 **13. minimum wage**

 **14. Social Security**

 **15. inflation**

 **16. Fixed Income**

 **17. Adverse**

 **18. Accommodate**

**Section3**

 **19. Free Enterprise**

 **20. Voluntary exchange**

 **21. Private Property Rights**

 **22. Profit**

 **23. Profit motive**

 **24. competition**

 **25.consumer sovereignty**

 **26. mixed or modified free enterprise economy**

 **27. incentive**

 **28. Catalyst**

 **29. regulator**