**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**