

Word Cards

11 command economy



an economic system in which the three main economic questions are answered by the government

Example: In a command economy, prices are set by the government.

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12 market economy



an economic system in which the three main economic questions are answered by the interaction of buyers and sellers

Example: In a market economy, prices are set when sellers and buyers agree on the price for a good or service.

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13 circular flow



the pattern in which goods and services and resources flow in the marketplace

Example: In the circular flow model, you can see how money travels from people to businesses and back to people again.

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14 mixed economy

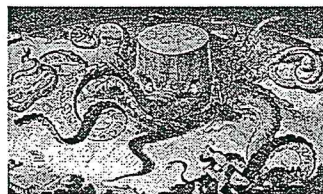


a combination of command and market economies

Example: Most countries in the world today have mixed economies.

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15 monopoly



a situation in which one company controls an industry or is the only provider of a product or service

Example: The company had a monopoly on tires so it could set the prices high and did not have to worry about competition.

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16 regulation



a government rule with the force of law that states what may or may not be done or how something must be done

Example: Many government regulations are aimed at protecting the health and safety of consumers.

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