

## II. Resolving Trade-Offs Among Goals

- A. What is the opportunity cost of a policy of protecting a domestic industry, such as shoe manufacturers?
- B. What is the trade-off in increasing the minimum wage?
- C. How are trade-offs among goals resolved?

## Section 3 AMERICAN FREE ENTERPRISE

OUTLINING For use with textbook pages 48–53

**Directions:** Locate the following headings in your textbook. Then use the information under the headings to help you write a brief description of each heading.

### I. Characteristics of Free Enterprise Capitalism

#### A. Economic Freedom

1. Give an example of this characteristic:

#### B. Voluntary Exchange

1. Give an example of this characteristic:

#### C. Private Property Rights

1. Give an example of this characteristic:

#### D. Profit Motive

1. Give an example of this characteristic:

### II. The Role of the Entrepreneur

### III. The Role of the Consumer

### IV. The Role of the Government

#### A. Protector

1. Give an example of this role:

#### B. Provider

1. Give an example of this role:

#### C. Regulator

1. Give an example of this role:

#### D. Consumer

1. Give an example of this role:

### V. Modified Free Enterprise