

The type of economy is determined by the extent of government involvement in economic decision making.

Characteristics of major economic systems

Free Market

Private ownership of property / resources
Profit
Competition
Consumer sovereignty
Individual choice

Command economy

Central ownership of property / resources
Centrally-planned economy
Lack of consumer choice

Mixed Economy

Individuals and businesses as decisions makers for the private sector
Government as decision maker for the public sector
A greater government role than in a free market economy
Most common economic system today

The student will demonstrate knowledge of how economic decisions are made in the marketplace by:
b) comparing the differences among free market, command, and mixed economies.