Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ August, 2015

**Economics Overview**

Guided Notes

When you hear the word **economics?** What do you immediately think of? (write it down below)

Is it important to study?

Economics – The study of how people use their resources to meet their needs

Three Questions must be answered:

-What goods and services will be produced?

-How will these goods and services be produced?

-Who will use the goods and services that are produced?

Different types of economic systems:

1. Traditional: Based on customs and what sort of decisions were made in the past. People produce mainly for their own families and neighborhoods.
2. Command: Government makes most of the decisions when it comes to what goods and services should be produced.
3. Market: Economic decisions are made by individuals who decide what to produce and buy.

People take an economic risk and invest in their own business.

\*\*\*However… most countries have a mixed economy

This economy has characteristics of all systems on a continuum between a pure market and a pure command.

 Free market with a little bit of government control.