

Section 1: Guided Reading and Review

Answering the Three Economic Questions



A. As You Read

As you read Section 1, supply the missing information about economic systems in the spaces provided.

1. Three economic questions answered:

- (a) _____
 (b) _____
 (c) _____

2. Economic concept necessitating choices and priorities in any society:

3. Economic question answered by basic social values and goals:

4. Five basic economic goals guiding society's choice of systems:

- (a) _____
 (b) _____
 (c) _____
 (d) _____
 (e) _____

5. Four main kinds of economies:

- (a) _____ (c) _____
 (b) _____ (d) _____

B. Reviewing Key Terms

Complete each sentence by writing the correct term in the blank.

6. An economic system that relies on habit, custom, or ritual to decide questions of production and consumption of goods and services is a _____.
7. An encyclopedia entry illustrating how a hunter-gatherer group collects and shares food resources is describing that society's _____.
8. When voluntary exchanges in the markets determine decisions on production and consumption, the society's economic system is a _____.
9. When people earn income for supplying land, labor, capital, or entrepreneurship, they receive _____.
10. An economic system in which the central government makes all decisions on production and consumption of goods and services is a _____.
11. People who receive disaster relief from the government after a flood are benefiting from an economic system that provides a _____.