|  |  |
| --- | --- |
| **FREE MARKETS** | Operate without  undue interference from  the government |
| **PRIVATE PROPERTY** | Individuals & businesses have right  to own personal property as well as  the means of production without  undue interference from the gov’t |
| **PROFIT** | Earnings after all expenses have been paid |
| **COMPETITION** | Rivalry between producers/sellers of a good or service |
| **CONSUMER SOVEREIGNTY** | Consumers determine through purchases, what goods and services  will be produced |

*Unit 7*

*Economic System*

|  |  |
| --- | --- |
| **ENTREPRENEUR** | A person who takes a risk to produce goods and services  in search of profit |
| **BASIC TYPES OF BUSINESS OWNERSHIP** | * Proprietorship * Partnership * corporation |
| **COMMAND ECONOMY** | \*Central ownership of  Property & Resources;  \*Centrally-planned economy;   lack of consumers choice |
| **MIXED ECONOMY** | \*Individuals and business as decision makers for the private sector \*Gov’t as decision maker for the public sector  \*Greater gov’t role than in free market |
| **FREE MARKET** | Private ownership of property/resources; profit; competition; consumer sovereignty; individual choice |

*Unit 7*

*Economic System*