

Economic Systems Infographic Activity

What is an economic system?

Every society must decide how to organize economic activity. This choice involves trade-offs. Economists have developed economic system models to help us understand the benefits and costs we face when choosing to organize our economy in a particular way. Although no country on earth adheres entirely to one economic system model, understanding the assumptions underlying a pure command system and a pure market system can clarify the choices.

Economic Systems Questionnaire

1. These items refer to the second block of the infographic.
 - a. Identify the three basic economic questions every society must answer.
 - i. _____
 - ii. _____
 - iii. _____
 - b. Describe the difference between how a pure command economy answers these questions and how a pure market economy answers these questions.

 - c. Give an example of one good or service produced in the United States using the command model. Justify your example using content from the poster.

 - d. Give an example of one good or service produced in the United States using the market model. Justify your example using content from the poster.

2. These items refer to the third block of the infographic.
 - a. Choose one advantage and one disadvantage listed on the infographic for each system (pure command economy and pure market economy) and write it in the left column of the chart below. In your own words, give a specific example of how the United States has experienced the advantages and disadvantages you chose.

	Examples
Command advantage	
Command disadvantage	
Market advantage	
Market disadvantage	

- b. Now choose any country from the list to research. Use the websites provided to look for evidence of the advantages and disadvantages shown on the infographic. Make an inference about the economic system most closely tied to the country and give evidence to support your claim.
- Countries: China, North Korea, South Korea, Iran, Libya, Cuba, Congo, South Africa, Sudan, Egypt, Japan, Ecuador, Costa Rica, United Kingdom, Hong Kong, India, Tahiti, Brazil, Canada, United States, Norway, France, Germany, Argentina
 - Websites: CIA.gov, state.gov, heritage.org, UNDP.org, IMF.org, worldbank.org

Country	Website(s) used	Economic system (select one)	Evidence to support selection
		Leans toward command OR Leans toward market	

3. These items refer to the fourth block of the infographic.
- For each of the terms in the table below, describe what they mean to you. Share your meanings with another student. Talk about the differences.

Economic equality	
Economic security	
Economic stability	
Economic growth	
Economic efficiency	
Economic freedom	

4. These items refer to the fourth block of the infographic.
- Using a web browser, look up each of the following indicators and explain the significance of each.

Index	Significance
Gini index	
Human Development Index	
Inflation rate	
Real gross domestic product growth rate	
Labor productivity growth rate	
Index of Economic Freedom	

- b. Using your knowledge of indicators, discuss whether the top five market and top five command economies are performing well on the social economic goals they value most. Give evidence to support your opinion.

	How well are they performing on their goals?	Evidence to support your opinion.
Top five command economies		
Top five market economies		