

Students,

First off, we want to say we hope you are doing well, and we miss you. Over the next week some of us will be setting up some ways that you can get in touch with us through video conferencing/meeting websites and apps, and we look forward to being able to see and hear you.

Stay safe,

Mrs. Sullivan
Mrs. Coleman
Mrs. Charles

Students, until we head back to school, we will be doing our work through packets like and soon possibly online if you are able. We will be sending you 1 assignment per week. Each one will be designed so that you will do 1 portion of the assignment each day over the 5 school days each week.

For 8th grade Social Studies:

Directions: Use the provided section to do the following work. This is designed so that you will do 1 portion of the assignment each day Monday-Friday.

Day 1: Read and highlight key information and write any questions you might have in the margins

Day 2: Answer questions in workbook pages-these will vary, just fill in the spaces

Day 3: Write a short summary in your own words what you have learned-this should be at least a paragraph with topic sentence and supporting details. Write on separate sheet of paper.

Day 4: Share the information you have learned with someone else-record a journal entry on what you discover. Write on the sheet of paper from day 3.

Day 5: Answer the following question on the sheet of paper you did for day 3. Imagine you could choose any country to live in, which of the 3 types of economic systems would you prefer and why? If you have access to internet do the challenge activity on the bottom of page 161.

Enrichment option, watch CNN 10 and choose one story to write a response to-summarize

YouTube-<https://www.youtube.com/channel/UCTOoRgpHTjAQPk6Ak70u-pA> or

regular internet<https://www.cnn.com/cnn10->

Jr Scholastic magazine: <https://junior.scholastic.com/home-page-logged-in.html> password
Cooltruck5

Pick an article and answer the prompt at the end-this is a great free resource right now, enjoy!

The Economic System

Section 1



MAIN IDEA

Countries form many types of economic systems to meet their citizens' needs and wants. The United States has a market economy.

Key Terms

market economy an economic system in which economic decisions are made by people looking out for their own best interests

free market a system that gives people the right to buy and sell goods as they want

profit the money a business has left after it has paid its expenses

scarcity the lack of resources to meet people's wants or needs

law of supply a theory that states that businesses will produce more products when they can sell them at higher prices

law of demand a theory that states that buyers will want a greater quantity of goods when prices are low

free enterprise a system in which business owners may operate with little government interference

capitalism an economic system in which productive resources are owned by private citizens

monopoly when one company sells a product without competition from others

Section Summary

ECONOMIC SYSTEMS

People buy goods and pay for services to fulfill their wants and needs. This process is called the want-satisfaction chain. The details of this process set apart the different economic systems.

There are three types of economic systems: traditional, command, and market. In a traditional economy, people grow their own food, make necessities, and trade with others. In a command economy, the government controls the economy and makes all decisions about production and sales. In a **market economy**, the people own property, start companies, and buy and sell goods within a competitive **free market**.

What is the name for the process of people buying goods and services to fulfill their wants and needs?

LIFE IN A MARKET ECONOMY

A market economy is based on the desire for **profit**, competition for resources, choice, and supply and demand. Competition for limited resources helps to set prices. When there is a **scarcity** of resources, prices rise and people must make choices about what products to make and buy. The **law of supply** and **law of demand** also set prices. A business will supply more products when it can charge a high price. However, buyers demand more products when the price is low. As prices rise, demand falls. Business owners must find a balance between supply and demand so they can make a profit.

The U.S. market economy is a **free enterprise** system, which means that it operates nearly free from government rules. However, the government does make laws to encourage competition by preventing a **monopoly**. Additionally, within a free enterprise system, business owners, not the government, assume the risk of loss. In a system based on **capitalism**, private citizens own the productive resources, create goods, produce goods, compete with other sellers, and invest in companies.

Why might a monopoly hurt a market economy?

THE U.S. ECONOMIC SYSTEM

Like many countries, our country has a mixed economy because it is a market economy with features of a traditional or command economy. For example, the U.S. government has some regulations to protect people. Our economy is also mixed in that it has both small and large businesses.

Why might people need government protection from businesses?

CHALLENGE ACTIVITY

Critical Thinking: Comparing and Contrasting

Create a chart with these headings: *Traditional*, *Command*, *Market*, and *Mixed*. Then use print and electronic resources to research and list countries with each type of economy. Which type of economy is most popular? Explain.

Section 1, *continued*

DIRECTIONS Write two words or phrases that describe each term.

1. market economy _____
2. free market _____
3. profit _____
4. scarcity _____
5. law of supply _____
6. law of demand _____
7. free enterprise _____
8. capitalism _____
9. monopoly _____

DIRECTIONS Study each set of four terms. On the line provided, write the letter of the term that does not relate to the others.

- _____ 10. a. market economy
 b. free market
 c. free enterprise
 d. government regulation

- _____ 11. a. monopoly
 b. law of demand
 c. scarcity
 d. law of supply

- _____ 12. a. productive resources
 b. capitalism
 c. communism
 d. profit