|  |  |
| --- | --- |
| **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*