



World Studies: Countries , Cultures, and Connections-7

Chapter 3: Economic Understandings ***Section 3: Economic Systems and Growth***

Guided Reading

Instructions: Read the section and complete each item with words from the passages in this section.

1. A person who studies the economy is called an _____.
2. Therefore, every country must develop an economic _____ to determine how to use its limited resources to answer the three basic economic questions: (1) What _____ and _____ will be produced? (2) _____ will goods and services be produced? (3) For _____ are the goods and services produced?
3. All societies have an economy that _____ more than one economic system model.
4. In a _____ economy, the customs and habits of the past are used to decide what and how goods will be produced, distributed, and consumed.
5. People tend to _____ (use items of value rather than money or precious metal for exchange).
6. In a _____ economy, government planning groups make the basic economic decisions to answer the three basic economic questions.
7. One _____ with the system is trying to predict exactly what goods people will need.
8. A _____ of this economy is that prices are controlled and people know exactly how much everything will cost.
9. In a _____ economy, economic decisions are made at an individual, rather than a government, level. The three basic economic questions

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are answered by _____ based on their beliefs about how _____ will respond to what they produce.

10. There are no countries today that have pure _____ or pure _____ economies. The economies of all countries today have characteristics of both systems and are often referred to as _____ economies.
11. In order to understand where a country falls between command and market economies, we use an economic _____.
12. One of the most important economic indicators is the _____ (GDP). It measures the total _____ of the final goods and services produced within the borders of a country in one year.
13. The _____ (CPI) is an economic indicator that measures prices. Each month, the prices of goods and services are checked to see if they _____ or _____ in comparison with previous months.
14. When CPI shows that prices are rising steadily, this indicates _____ (a continual increase in the price and goods and services).
15. A person is described as _____ if he or she does not have a job but has been actively looking for one and is available to work.

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16. Resources (building blocks of an economy needed to produce goods and services) are known as factors of _____.
17. _____ are products of Earth and its atmosphere that are useful to humans.
18. These resources are _____; they can replenish themselves over time. Another type of resource is _____, meaning they are not replaced or replenished .
19. _____ are the tools used in the production of goods and services.
20. Another part of capital goods is _____, which is the basic structures and buildings a country needs to function.
21. The term _____ describes the people who produce goods or services.
22. The final factor of production is _____, when people start their own businesses they are called _____.
23. Businesses must sell goods or services to generate _____. It will have costs related to the business called _____.
24. To increase the GDP, countries must also invest in _____ goods. These include the factories, _____, technologies, buildings, and property needed for a business to operate.
25. The definition of _____ is the percentage of the population over the age of 15 who can read and write.

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26. Economists also look at the _____ of a country, which is the average age that people live in the country.