Who Gets Heat?

Production and access in three economic systems

SS24.E.3a "Describe the key elements of command, market, and mixed economic systems."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB As you read, underline who makes production decisions in each system, circle how households obtain heaters, and number the public actions described in the mixed economy.

A City Needs Heaters

(1) After a severe cold snap, a city needs thousands of replacement heaters. In a command economy, a central authority can direct publicly owned factories to make heaters instead of other goods. Officials decide how many units each factory should produce, assign materials and workers, and set rules for distribution. They might send heaters first to hospitals and older apartment buildings rather than to the highest bidders. This arrangement can concentrate resources on a stated public priority, but officials may misjudge demand or struggle to adjust production when a different part breaks. Households have limited influence over the production plan.

(2) In a market economy, privately owned firms choose whether to make heaters based on expected sales and costs. If many households seek replacements, rising prices can signal firms to expand output, while competing sellers may lower prices or improve designs to attract buyers. Wages and material costs also shape production decisions. People generally obtain heaters by purchasing them from sellers, rather than receiving units assigned by a planning office. Prices coordinate choices without a single agency setting every factory's output. Yet households with less income may be unable to afford a heater even when stores have stock.

(3) Most real economies blend public decisions with private exchange. In one mixed economy, private firms still manufacture and sell heaters, while a city purchases units for emergency shelters and offers vouchers to low-income residents. Safety standards may require firms to test heaters before sale. Firms respond to customers and prices, but public rules and spending change which products can be sold and who can obtain them. The city must fund its purchases and vouchers, so officials weigh this aid against other needs. A mixed economy does not require an equal split between government and markets; the balance varies.

2 ANSWER WITH EVIDENCE

Use the passage

1. In the command economy described, who owns the factories, and what two production decisions do officials make?

2. In the market economy described, how do private firms and prices shape heater production?

3. How does the mixed economy combine private production with two kinds of public action?

4. Compare how people obtain heaters in the command, market, and mixed economies described.

3 YOUR TURN

Your own words

A coastal town needs water filters after saltwater enters household wells. In 6 to 8 sentences, describe who might produce the filters and how households might obtain them in each of the three economic systems, then explain one trade-off in your mixed-economy approach.

ANSWER KEY

Who Gets Heat?

GRADE 12 · SS24.E.3a

PART 1 · READ AND MARK

As you read, underline who makes production decisions in each system, circle how households obtain heaters, and number the public actions described in the mixed economy. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	In the command economy described, who owns the factories, and what two production decisions do officials make?	**The factories are publicly owned. Officials decide how many heaters each factory makes and assign materials and workers.**
2	In the market economy described, how do private firms and prices shape heater production?	**Private firms decide whether to produce heaters based on expected sales and costs. Rising prices can signal them to increase output.**
3	How does the mixed economy combine private production with two kinds of public action?	**Private firms make and sell heaters. The city buys heaters for shelters and offers vouchers, while safety standards govern what firms can sell.**
4	Compare how people obtain heaters in the command, market, and mixed economies described.	**In the command economy, officials assign heaters according to a distribution plan. In the market economy, households buy them from sellers. In the mixed economy, households can buy from firms, while vouchers help low-income residents obtain them.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

In a command economy, officials could direct public factories to make water filters and assign deliveries to homes with unsafe wells. In a market economy, private firms could make filters if they expect sales. Stores could sell them to households willing and able to pay. In a mixed economy, private firms could produce filters while the town buys some for free distribution to affected households. The town could require safety tests before sale. These steps may protect residents who cannot afford a filter. However, paying for free filters could reduce funds available for other repairs.

Accept other accurate production and distribution choices consistent with each system. Mixed-economy responses should include both private exchange and a specific public action, with a plausible trade-off.