

Choices Shape Markets

Identify market economy characteristics in colonial and early American life.

SS.5.E.1.2 "Describe a market economy and give examples of how the colonial and early American economy exhibited these characteristics."

NAME _____

DATE _____

1 READ AND MARK _____ Read it twice

YOUR JOB Underline two details that show people making economic choices, and circle two details that show buyers and sellers affecting prices, products, or competition.

Markets in Early America

- ① A market economy is a system in which people own businesses and property, choose jobs or products, and buy and sell goods. Prices usually change as buyers and sellers respond to supply and demand. Competition can lead sellers to improve goods or lower prices. Governments may set rules, but people and businesses make many daily economic choices.
- ② In colonial towns, a shoemaker could own a workshop, decide how many shoes to make, and sell them to customers. Customers could compare the shoemaker's work with shoes sold by another maker. If many people wanted sturdy boots before winter, sellers might raise prices or make more boots. This competition and choice were market economy characteristics.
- ③ In the early United States, merchants in ports such as Philadelphia bought products from farmers and craftspeople, then sold them to other buyers. A merchant might choose which goods to carry based on what customers wanted and what could earn a profit. Farmers also chose crops to sell. These choices connected producers, sellers, and consumers in markets.

2 ANSWER WITH EVIDENCE _____ Use the passage

1 What is a market economy? Name two characteristics described in the first paragraph.

2 How did customers comparing shoes from two makers show competition?

3 According to the passage, what might sellers do if many people wanted boots before winter?

4 How did merchants and farmers in the early United States show market economy characteristics?

3 YOUR TURN _____ Your own words

Write three sentences about an imaginary early American market day. Name a producer and product, describe a choice by buyers or competing sellers, and explain how demand or profit affects a decision.

PART 1 • READ AND MARK

Underline two details that show people making economic choices, and circle two details that show buyers and sellers affecting prices, products, or competition. Accept any marking that follows this job and points at the right text.

PART 2 • ANSWERS

#	QUESTION	ANSWER
1	What is a market economy? Name two characteristics described in the first paragraph.	A market economy is a system in which people buy and sell goods and make many economic choices. Characteristics include private ownership, choice, changing prices, competition, and supply and demand.
2	How did customers comparing shoes from two makers show competition?	The two shoemakers competed for customers, and customers could choose which shoes to buy.
3	According to the passage, what might sellers do if many people wanted boots before winter?	They might raise prices or make more boots.
4	How did merchants and farmers in the early United States show market economy characteristics?	Merchants chose goods to sell based on customer demand and possible profit. Farmers chose crops to sell, connecting producers, sellers, and consumers.

PART 3 • YOUR TURN (SAMPLE ANSWER)

In an early American town, a candle maker owns a shop and sells beeswax candles. When a rival offers cheaper candles, the candle maker makes longer-lasting candles for customers. As more families want candles for winter, the candle maker makes extra candles to earn a profit.

Accept accurate descriptions of private ownership, choice, competition, supply and demand, prices, or profit that match the passage. For the open response, accept any plausible early American market example that includes all three requested parts.