Choices Shape Economies

Compare how economic systems make decisions about goods and services.

SS6E1 "Analyze different economic systems."

NAME ______________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB Underline details that show government control, circle details that show individual or business choice, and number the three basic economic questions in paragraph 1.

Who Makes the Choices?

1 Every economy must decide what goods and services to make, how to make them, and who receives them. In a traditional economy, customs help answer these questions. For example, a fishing community may use skills passed down in families, make the kinds of boats its elders used, and share catches by long-standing rules. Tradition can provide stability, but it may make it harder to change quickly when people want different goods or new technology to solve problems locally.

2 Cuba has long had a command economy, in which the government makes many major economic decisions. Government agencies have controlled important industries and have set plans for producing and distributing many goods and services. This system can direct resources toward goals such as health care or education. However, when government planners make many choices, consumers and business owners have less freedom to decide what to produce or buy. Cuba has also allowed some small private businesses, so its system includes mixed features.

3 Canada is a mixed market economy. Individuals and businesses usually choose what to buy, sell, and produce, and prices help guide many decisions. At the same time, the government collects taxes, provides public services, and sets rules for workplaces, banks, and the environment. Canada is therefore closer to the market end of an economic continuum than Cuba, but neither country fits perfectly at one end. Most modern economies combine market choices with some government action and regulations.

2 ANSWER WITH EVIDENCE

Use the passage

1. How do customs help the fishing community answer economic questions? Give two details from the passage.

2. What makes Cuba's economy command-like, and how can this affect consumer and business choices?

3. Why is Canada described as a mixed market economy? Include one market choice and one government action.

4. Compare Canada and Cuba on the economic continuum. Which country is closer to the market end, and why?

3 YOUR TURN

Your own words

Invent a community with either a traditional, command, or mixed market economy. In four sentences, explain how it decides what, how, and for whom to produce, then use two details to defend the type you chose.

ANSWER KEY

Choices Shape Economies

GRADE 6 · SS6E1

PART 1 · READ AND MARK

Underline details that show government control, circle details that show individual or business choice, and number the three basic economic questions in paragraph 1. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How do customs help the fishing community answer economic questions? Give two details from the passage.	**Families use skills passed down through generations and make boats like those their elders used. They share catches using long-standing rules.**
2	What makes Cuba's economy command-like, and how can this affect consumer and business choices?	**Government agencies control important industries and plan the production and distribution of many goods and services. Consumers and business owners have less freedom to decide what to buy or produce.**
3	Why is Canada described as a mixed market economy? Include one market choice and one government action.	**Individuals and businesses usually choose what to buy, sell, and produce, while the government collects taxes, provides public services, and sets rules.**
4	Compare Canada and Cuba on the economic continuum. Which country is closer to the market end, and why?	**Canada is closer to the market end because individuals and businesses make many choices and prices guide decisions. Cuba has stronger government control, although it also allows some small private businesses.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

On Isla Verde, elected leaders choose to build solar-powered water pumps and decide that public factories will make them. The factories use government-owned machines, and the pumps go first to villages with the least clean water. Families may still own small food stalls and set their own prices. Isla Verde has a mixed market economy because the government directs the pump project while private sellers make some choices.

Accept equivalent evidence-based comparisons from the passage. For the open task, accept any correctly identified system if the response explains what, how, and for whom to produce and supports the classification with two relevant details.