Canada's Economic Mix

Read how markets, government, and trade work together.

SS6E4.c “Describe the economic system of Canada.”

NAME ______________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB Underline two details that show people or private businesses making economic choices. Circle two details that show government involvement, then number one detail about trade.

How Canada's Economy Works

1 Canada has a mixed market economy. In this system, people and businesses make many economic choices, while the government also provides services and sets rules. A family may choose where to shop, and an entrepreneur may open a bakery or software company. Most businesses are privately owned and compete for customers. Prices usually change with supply and demand. When more people want a product than businesses can provide, its price may rise. Workers can choose among jobs, and consumers can compare products before buying.

2 Government plays an important role in Canada’s economy. Federal, provincial, and local governments collect taxes to help pay for public services, such as schools, roads, health care, and parks. Governments also make rules about workplace safety, food quality, and pollution. Canada has some government-owned businesses, often called Crown corporations, including Canada Post. These public choices can protect people or provide services that private companies may not offer in the same way. Still, government does not control most stores, farms, factories, or banks.

3 Canada also connects its economy to other countries through trade. Canadian companies sell goods and services abroad, including wheat, lumber, vehicles, minerals, and digital services. Canada buys products from other countries as well. Trade gives consumers more choices and gives businesses larger markets. Agreements with trading partners can reduce barriers to buying and selling across borders. Canada’s economic system combines private decision making, competition, government action, and international trade. Because both businesses and government have important roles, Canada is not a command economy.

2 ANSWER WITH EVIDENCE

Use the passage

1. What are two details that show market features in Canada's economy?

2. Name two ways Canadian governments take part in the economy.

3. Why is Canada described as having a mixed market economy?

4. How does international trade affect Canada's consumers or businesses? Use one detail from the passage.

3 YOUR TURN

Your own words

Write exactly four sentences about an imaginary business in Canada. Show one choice made by the business, one government role, one trade connection, and explain why the situation is part of a mixed market economy.

Canada's Economic Mix

PART 1 · READ AND MARK

Underline two details that show people or private businesses making economic choices. Circle two details that show government involvement, then number one detail about trade. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	What are two details that show market features in Canada's economy?	**Most businesses are privately owned and compete for customers. Consumers can compare products before buying, and workers can choose among jobs.**
2	Name two ways Canadian governments take part in the economy.	**Governments collect taxes to pay for public services and make rules about areas such as workplace safety, food quality, and pollution.**
3	Why is Canada described as having a mixed market economy?	**Canada is mixed because people and private businesses make many choices and compete, while government provides services, sets rules, and owns some businesses.**
4	How does international trade affect Canada's consumers or businesses? Use one detail from the passage.	**Trade gives consumers more choices and gives businesses larger markets. Canada sells goods and services abroad and buys products from other countries.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

A Canadian backpack company chooses to design and sell a new hiking bag. Government rules require the company to meet workplace safety standards. The company sells some bags to customers in another country. This situation is part of a mixed market economy because a private business makes choices while government sets rules and trade connects markets.

Accept equivalent examples from the passage for market features, government roles, and trade effects. For the open response, check for exactly four sentences that include all four required parts and accurately show both private decision making and government involvement.