Who Decides?

Compare how economic systems make choices about goods, work, and consumers.

SS7E7 "Analyze different economic systems."

NAME ______________________ DATE ______________

1 READ AND MARK

Read it twice

YOUR JOB Underline evidence that tells who makes economic decisions in each system, then write 1, 2, or 3 beside evidence about what to make, how to make it, and who receives it.

Economic Choices in Asia

1 Every economic system must answer three questions: What goods and services will be made? How will workers and resources be used to make them? Who will receive or buy the results? In a traditional system, customs guide many choices. For example, a fishing village may use methods taught by older family members and share catches by long-standing rules. A command system gives government leaders major control over these decisions. In a market system, buyers and private businesses make many choices through prices and competition.

2 North Korea is close to a command economy. The government directs most major industries, sets production goals, and controls much trade. It decides which goods factories should make and how many resources they receive. China has a mixed system. Its government owns or strongly directs important sectors, such as banking and energy, but private businesses also produce many goods and services. Prices and consumer demand influence many choices in China, though government plans and rules still shape the economy.

3 Japan is often described as a market economy because privately owned businesses compete to sell cars, games, food, and other products. Consumers' choices and prices help businesses decide what to offer and how much to produce. Yet Japan, like every modern country, has a mixed economy. Its government collects taxes, provides services such as public education, and makes laws for workers and businesses. Comparing who makes decisions shows that no country's system is purely one type.

2 ANSWER WITH EVIDENCE

Use the passage

1. How do customs guide economic choices in a traditional system?

2. Compare North Korea and China. Who has the stronger role in making major economic decisions, and what passage evidence supports your answer?

3. What makes Japan a market economy, and what makes it mixed?

4. Why does the passage say that no modern country's economy is purely one type? Use China or Japan as an example.

3 YOUR TURN

Your own words

A country lets family farms follow inherited planting customs, government leaders own the railways, and private stores set prices for most clothing. In 4 or 5 sentences, explain why this country has a mixed economy. Include one traditional, command, and market feature, and explain who helps make choices about what, how, or for whom.

Who Decides?

PART 1 · READ AND MARK

Underline evidence that tells who makes economic decisions in each system, then write 1, 2, or 3 beside evidence about what to make, how to make it, and who receives it. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How do customs guide economic choices in a traditional system?	**Customs guide choices about production and distribution. People may use methods taught by family members and share goods by long-standing rules.**
2	Compare North Korea and China. Who has the stronger role in making major economic decisions, and what passage evidence supports your answer?	**North Korea's government has the stronger role. It directs most major industries, sets production goals, controls much trade, and decides factory goods and resources. China also has government direction, but private businesses and consumer demand influence many choices.**
3	What makes Japan a market economy, and what makes it mixed?	**Private businesses compete, while consumer choices and prices influence what businesses offer and produce. It is mixed because the government collects taxes, provides public education, and makes laws for workers and businesses.**
4	Why does the passage say that no modern country's economy is purely one type? Use China or Japan as an example.	**Modern economies combine decision makers. For example, China has government direction in important sectors, but private businesses, prices, and consumer demand also affect choices.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

The family farms use a traditional system because inherited customs guide how they plant crops. Government ownership of railways is a command feature because leaders decide how that service is run. Private stores show a market feature because businesses and buyers use prices to decide which clothing is sold and who can buy it. Because different groups make different economic choices, the country's economy is mixed.

Accept answers that accurately connect customs to traditional choices, government direction to command choices, and private businesses, consumers, or prices to market choices. For the open response, accept other accurate explanations that identify all three features and explain why combining them creates a mixed economy.