Who Makes Choices?

Compare how economic systems affect people and growth

8.P.2.4.B "Identify different types of economic systems, comparing advantages and disadvantages for citizens and the growth of a nation's economy."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline the four economic system names, circle one benefit for citizens in each system, and put a star beside one statement about economic growth for each system.

Feeding a Coastal Nation

1. Imagine a coastal nation deciding how to feed its growing cities. In a traditional economy, families may pass down fishing methods and share catches according to local customs. This can protect community ties and skills, but fixed roles may leave fewer chances for new businesses and slower economic growth. In a market economy, fishers and shop owners choose what to sell, while buyers' choices help set prices. Competition can bring new products and jobs, supporting growth. Yet families with little money may not afford enough food when prices rise.

2. In a command economy, government officials decide what goods to produce and how to distribute them. Suppose the government orders more fishing boats and sends the catch to schools. It may direct resources quickly toward a national goal and ensure that some citizens receive food regardless of income. However, officials may misjudge what people want or need. If fishers cannot choose their equipment or earn more for better ideas, they may have less reason to innovate. Such limits can slow economic growth.

3. Most countries use a mixed economy, combining market choices with government action. In the coastal nation, fishers might run their own businesses while the government checks seafood safety and helps pay for school meals. Private businesses can compete and develop better ways to keep fish fresh, which may help the economy grow. Safety rules can protect buyers, and school meals can reach children whose families cannot afford fish. Still, rules and public programs cost money; taxes or complex requirements may limit what businesses can invest in expansion.

2 ANSWER WITH EVIDENCE

Use the passage

1. How might a market economy offer citizens more business opportunities than a traditional economy, and what could that mean for growth?

2. What is one benefit for citizens when officials direct food production in a command economy? What is one possible cost to economic growth?

3. How does the mixed economy in the passage help citizens who might struggle to buy food in a market economy? What might this help cost businesses?

4. Compare who makes production choices in the command and mixed economies. How could that difference affect economic growth?

3 YOUR TURN

Your own words

A mountain nation needs affordable electricity. Write one paragraph recommending a traditional, market, command, or mixed economy for this decision. Explain who would make choices, one likely benefit and one likely drawback for citizens, and one possible effect on economic growth.

ANSWER KEY

Who Makes Choices?

GRADE 8 · 8.P.2.4.B

PART 1 · READ AND MARK

Underline the four economic system names, circle one benefit for citizens in each system, and put a star beside one statement about economic growth for each system. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How might a market economy offer citizens more business opportunities than a traditional economy, and what could that mean for growth?	**Market sellers choose what to sell and can compete with new products, creating jobs and supporting growth. Fixed roles in a traditional economy may leave fewer chances for new businesses.**
2	What is one benefit for citizens when officials direct food production in a command economy? What is one possible cost to economic growth?	**Officials can send food to schools or provide it regardless of income. Limited choices and rewards for fishers may reduce innovation and slow growth.**
3	How does the mixed economy in the passage help citizens who might struggle to buy food in a market economy? What might this help cost businesses?	**Government-supported school meals can reach children whose families cannot afford fish. Taxes or complex requirements may leave businesses with less to invest in expansion.**
4	Compare who makes production choices in the command and mixed economies. How could that difference affect economic growth?	**Officials make production choices in a command economy; in a mixed economy, fishers run businesses alongside government action. Business competition may encourage new ideas and growth, while limited choice in a command economy may slow innovation.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

I recommend a mixed economy for a mountain nation that needs electricity. Private companies could choose how to build power plants, while the government sets safety rules and helps families pay their bills. More families could afford electricity, and reliable power could help businesses grow. However, citizens might pay higher taxes to fund the aid. Competition could encourage companies to improve their equipment, supporting economic growth, though the cost of safety rules might slow some projects.

Accept other recommended systems if the response accurately explains who makes choices and gives a plausible citizen benefit, citizen drawback, and growth effect. Effects may be possibilities rather than guaranteed outcomes.