Coats and Choices

Compare how four economic systems answer three basic questions.

E.C.2.1 "Compare traditional, market (free enterprise), command, and mixed economic systems, and explain how each addresses the three basic economic questions of what to produce, how to produce, and for who to produce."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB As you read, underline words showing who decides what to make, circle words showing how goods are made, and write 1 beside phrases showing who receives them. Look for evidence in each of the four systems.

Who Gets a Winter Coat?

1 When a town needs warm winter coats, it faces three linked questions: Which coats should be made, how should workers make them, and who should receive them? Imagine four different ways of organizing the town's economy. In a traditional system, long-standing customs guide choices. Families might make the same wool coats their elders made, using skills and tools passed down through generations. Custom may also decide which relatives receive coats first. People can change these practices, but inherited habits carry weight. This system relies on community relationships rather than a central production plan or customers' bids.

2 In a market, or free enterprise, system, businesses respond to buyers and compete for sales. If shoppers want light raincoats instead of wool coats, firms may switch products. Owners choose materials and methods they expect will control costs and attract customers. People who can pay the price get the coats, although gifts and charities can help others. In a command system, government planners decide the types and numbers of coats to make. They can direct factories to use certain materials and assign workers to production. Officials might distribute coats by household size or another rule rather than by price.

3 A mixed system combines market decisions with government decisions. Coat makers may compete to sell styles to paying customers, while a city buys coats for people who cannot afford them. The city might set safety rules for factories or pay part of the cost of durable materials. Thus, businesses still influence what and how much is made, but public choices also shape production and access. No real economy fits one model perfectly; the four models highlight who has the strongest voice in each decision. To compare them, ask whose choices guide production and whose rules determine who receives the result.

2 ANSWER WITH EVIDENCE

Use the passage

1. How does the choice of which coats to make differ in a traditional system and a market system?

2. Who chooses how coats are made in a market system, and who directs how they are made in a command system?

3. How might the rule for receiving a coat differ between a traditional system and a command system?

4. Compared with a market system, how can a mixed system change what coats are made, how they are made, and who receives them?

3 YOUR TURN

Your own words

Imagine a town must supply drinking water after a week-long pipe failure. Choose two economic systems and write six sentences comparing what form of water each would provide, how each would provide it, and who would receive it. Use one sentence for each question in each system.

ANSWER KEY

Coats and Choices

HIGH SCHOOL · E.C.2.1

PART 1 · READ AND MARK

As you read, underline words showing who decides what to make, circle words showing how goods are made, and write 1 beside phrases showing who receives them. Look for evidence in each of the four systems. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How does the choice of which coats to make differ in a traditional system and a market system?	**Custom guides the choice in a traditional system. In a market system, businesses respond to what buyers want.**
2	Who chooses how coats are made in a market system, and who directs how they are made in a command system?	**Business owners choose materials and methods in a market system. Government planners direct factories, materials, and workers in a command system.**
3	How might the rule for receiving a coat differ between a traditional system and a command system?	**Custom might determine which relatives receive coats first in a traditional system. Government officials might distribute them by household size or another rule in a command system.**
4	Compared with a market system, how can a mixed system change what coats are made, how they are made, and who receives them?	**Businesses still respond to buyers, but a city can buy coats for others, set factory safety rules or help pay for materials, and provide coats to people who cannot afford them.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

In a market system, sellers decide to offer bottled water because customers will buy it. They purchase bottles and hire drivers to deliver them. Customers who can pay the price receive the bottles. In a mixed system, stores still offer bottled water, while the town also supplies treated water at refill stations. Stores use delivery trucks, and town crews bring treated water to public tanks. Buyers receive store bottles, and residents can collect water at the free refill stations.

Accept other plausible coat examples supported by the passage. For the open task, check that all six sentences address what, how, and for whom across two distinct systems.