Who Keeps Shelves Stocked?

Compare economic decisions and government actions after a storm.

USG.C.1.5 "Examine the role of government in a nation's economy. Compare the role of government in a market versus command economic systems. Describe the United States of America government's role in a market system including the promotion of..."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline one sentence about who makes decisions in a market system and one about who makes them in a command system. Circle two government actions that protect shoppers or competition, then write 1 and 2 beside two policies that affect spending.

A Town Needs Groceries

1. After a storm closes the only road to a town, grocery shelves start to empty. In a market economy, store owners choose what food to stock, and customers choose where to shop. Prices and expected sales influence those choices. The government does not assign every loaf of bread to a store. In a command economy, government planners decide how much food to produce and where to send it. That can direct supplies toward an urgent need, but planners may respond slowly when local demand changes. Both systems have governments; the key difference is who makes most production and distribution decisions.

2. In the United States, grocery stores operate in a market system, but government sets rules that help the market work. Laws against price fixing can stop competing stores from secretly agreeing to charge shoppers the same high prices. Property laws protect a store owner's right to use its building and inventory. Consumer protection rules can require accurate food labels so buyers know what they are purchasing. Government also provides services that benefit the wider community. Repairing the public road lets deliveries reach every store, not just a business willing to pay for its own route.

3. The storm may also reduce sales and leave some workers without pay. To support recovery, Congress could fund road repairs, paying workers and restoring a route for deliveries. This spending can increase jobs and demand while the town rebuilds. Separately, the Federal Reserve, the nation's central bank, can lower its policy interest rate during a broader economic slowdown. Lower rates can encourage borrowing and spending, though the effect is not immediate. If prices rise too quickly, the Fed can instead raise its rate to slow demand. These policies aim to stabilize the economy, but each involves choices about timing and cost.

2 ANSWER WITH EVIDENCE

Use the passage

1. After the road closes, who would decide where food goes in a market system? Who would decide in a command system?

2. How could a law against price fixing help shoppers without telling stores what to stock?

3. Choose two different government actions from the second paragraph. Explain what each protects or provides.

4. How could road-repair spending and a lower Federal Reserve policy rate each help during an economic slowdown?

3 YOUR TURN

Your own words

A storm has damaged a town where several bicycle repair shops compete. In one paragraph, compare who would decide which repairs to offer in a market system and a command system, then propose one U.S. government action that protects people in the market and one policy that could support economic recovery; explain how each would work.

ANSWER KEY

Who Keeps Shelves Stocked?

HIGH SCHOOL · USG.C.1.5

PART 1 · READ AND MARK

Underline one sentence about who makes decisions in a market system and one about who makes them in a command system. Circle two government actions that protect shoppers or competition, then write 1 and 2 beside two policies that affect spending. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	After the road closes, who would decide where food goes in a market system? Who would decide in a command system?	**In a market system, store owners choose what to stock, influenced by prices and expected sales. In a command system, government planners decide where to send food.**
2	How could a law against price fixing help shoppers without telling stores what to stock?	**It can prevent competing stores from agreeing to charge the same high prices while leaving stores free to choose their inventory.**
3	Choose two different government actions from the second paragraph. Explain what each protects or provides.	**For example, property laws protect an owner's right to use a building and inventory. Road repair provides a public route for deliveries to all stores.**
4	How could road-repair spending and a lower Federal Reserve policy rate each help during an economic slowdown?	**Road-repair spending can pay workers, restore deliveries, and increase demand. A lower policy rate can encourage borrowing and spending, though its effect is not immediate.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

In a market system, bicycle shop owners would decide which repairs to offer based on what customers need and will pay for. In a command system, government planners would make those decisions. The U.S. government could enforce rules against false claims about repair costs, helping customers compare shops and make informed choices. To support recovery after the storm, Congress could fund repairs to damaged public streets. That spending would pay workers and make it easier for customers and suppliers to reach the shops, helping businesses earn income again.

Accept any accurate pair of actions identified in the second paragraph for question 3. For Part 3, accept other plausible U.S. policies if the response explains their effects and keeps market decisions distinct from command decisions.