

Choices Build Businesses

Trace free enterprise from colonial America to today.

5.10 "Economics. The student understands the development, characteristics, and benefits of the free enterprise system in the United States. The student is expected to: identify the development of the free enterprise system in colonial America..."

NAME _____

DATE _____

1 READ AND MARK _____ Read it twice

YOUR JOB Underline one detail about how free enterprise developed, circle two details that show how it works, and number three benefits it can bring.

A System of Choice

- ① In colonial America, many people earned money as farmers, craftspeople, shopkeepers, and traders. British rules sometimes limited what colonists could make, sell, or trade. Over time, colonists wanted more freedom to choose their work and customers. After independence, the United States strengthened ideas about private property, voluntary exchange, and people starting businesses. These ideas helped free enterprise grow.
- ② In a free enterprise system, individuals and businesses can own property and decide what goods or services to offer. Buyers choose what to purchase. Sellers set prices, but they must try to attract customers. Businesses compete by improving products, offering useful services, or changing prices. Government protects property rights, enforces contracts, and sets rules for safety and fairness. It does not make every business decision.
- ③ Free enterprise can benefit people in several ways. Competition can give shoppers more choices and can encourage businesses to improve quality or lower prices. New ideas can become new products, services, and jobs when people are allowed to start businesses. Consumers can compare choices and spend their money where they think it will help them most. Businesses can also respond when customers' needs change.

2 ANSWER WITH EVIDENCE _____ Use the passage

1 How did British trade limits and colonists' wishes help free enterprise develop?

2 List two choices that people or businesses can make in a free enterprise system.

3 What are two jobs the government does in a free enterprise system, and what business decisions does it not make?

4 Explain two benefits of free enterprise for consumers or workers.

3 YOUR TURN _____ Your own words

Invent a business for your community. Write four sentences that explain what it offers, how it will compete, a choice customers can make, and one benefit it could bring.

PART 1 • READ AND MARK

Underline one detail about how free enterprise developed, circle two details that show how it works, and number three benefits it can bring. Accept any marking that follows this job and points at the right text.

PART 2 • ANSWERS

#	QUESTION	ANSWER
1	How did British trade limits and colonists' wishes help free enterprise develop?	British rules limited some making, selling, and trading. Colonists wanted more freedom to choose their work and customers.
2	List two choices that people or businesses can make in a free enterprise system.	Answers may include owning property, deciding what goods or services to offer, choosing what to buy, setting prices, or choosing where to spend money.
3	What are two jobs the government does in a free enterprise system, and what business decisions does it not make?	The government protects property rights, enforces contracts, and sets safety and fairness rules. It does not make every business decision.
4	Explain two benefits of free enterprise for consumers or workers.	Answers may include more choices, improved quality, lower prices, new products or services, new jobs, and businesses responding to changing needs.

PART 3 • YOUR TURN (SAMPLE ANSWER)

Lena owns a bicycle repair shop that fixes flat tires and sells helmets. She keeps customers by offering quick repairs and fair prices. Customers can choose her shop or another repair shop. Her business gives riders a useful service and may create a job for a helper.

Accept reasonable wording that matches the passage. For the open response, check that all four required ideas are included and that the example accurately shows free enterprise.