CHAPTER 3, SECTION 3

Read pages 74 - 79 and answer the questions below.

1. On page 74, read the Key Terms in the “Prepare to Read” box. For each key term, write a sentence USING THE TERM that conveys the meaning of the word.

   Economy

   Producers

   Consumers

   Capitalism

   Communism

   Developed Nations

   Developing Nations

2. What are the three basic questions for the study of economics?

3. In “private ownership,” who owns the workplace and decides how the products are made?

4. Which type of economic system involves “private ownership”? 
5. In “government ownership,” who owns the workplace and decides how the products are made?

6. Which type of economic system involves “government ownership”?

7. Explain why the United States has a “mixed economy”?

8. IN YOUR OWN WORDS: Describe the difference between capitalism and communism.

9. IN YOUR OWN WORDS: Describe what life is like in a developed nation.

10. IN YOUR OWN WORDS: Describe what life would be like in a developing nation.

11. What is an economic specialty?

12. What does it mean that the world is interdependent?