Name: _____ **Grade:** _____

Economic Systems

True and False

Instruction: The following statements are either **TRUE or FALSE.** Write true if you believe the statement is true. Write False if you believe the statement is false.

1. The government decides what to produce and how it will be produced in a traditional economy.
2. An economic system allocates a nation's resources among its citizens.
3. The capitalistic economic system has become the only viable system in the world.
4. A mixed economy is the most common economic system in the world.
5. The Bahamas is an example of a mixed economy.
6. An economic system ensures that people have all the goods and services they want.
7. A free market system, governments play a large role in deciding what goods to produce or services to offer.
8. In a controlled economy free enterprise and competition are encouraged.
9. In a socialist economy, the government owns and operates all sources of production.
10. In the free market economy the government decides when to raise or lower prices on goods and services.
11. In a free market economy the government owns all the means of transportation.
12. In the controlled economy, workers have the right to organize in order to improve working conditions

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13. The mixed economy has features of the free market economy and the controlled economy.

14. In the free market economy individuals may prepare for and enter any occupation of their choice.

15. In the subsistence economy individuals may prepare for and enter any occupation of their choice.

16. In a mixed economy, business compete with each other for sales to customers.

17. The free market economy encourages inequalities of wealth.

18. In the controlled economy, market forces help consumers decide what will be produced.

19. One of the features of globalization is the provision of high quality goods and services at a cheap rate.

20. In the mixed economy, there is little specialization and little trade.

Total marks [20]

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