

Name: _____ Grade: _____ Date: _____

Economic Systems
True and False

Instruction: The following statements are either **TRUE** or **FALSE**. Type the word **True/False** that best describes each statement.

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

13. The mixed economy has features of the free market economy and the controlled economy.	TRUE	FALSE
14. In the free market economy individuals may prepare for and enter any occupation of their choice.	TRUE	FALSE
15. In the subsistence economy individuals may prepare for and enter any occupation of their choice.	TRUE	FALSE
16. In a mixed economy, business compete with each other for sales to customers.	TRUE	FALSE
17. The free market economy encourages inequalities of wealth.	TRUE	FALSE
18. In the controlled economy, market forces help consumers decide what will be produced.	TRUE	FALSE
19. One of the features of globalization is the provision of high quality goods and services at a cheap rate.	TRUE	FALSE
20. In the mixed economy, there is little specialization and little trade.	TRUE	FALSE

Total marks [20]

