

Economic Systems

Economic System (Economics)-the study of the production, distribution, and use of goods and services.
-The way people get what they want and need.

Production- The making of something from raw materials.

Distribution- Supplying goods and services for consumers to buy.

Types of Economic Systems:

- 1) Traditional- people produce what they need to survive.
- 2) **Market (Capitalism)**- people buy or sell goods and services. Private ownership
- 3) **Command (Communism)**- government controls what goods and services are produced. Government ownership
- 4) Mixed- People have some choice in what goods and services are produced and the government has some control (Shared) Both private and government ownership

Interdependence

- Condition that exists when countries rely on each other for ideas, goods, services, and markets.
- Increased trade has led to globalization of the world's economies.
- Globalization- when the economy of countries are interdependent on each other.