Who Decides?

Command, market, and mixed systems all answer the same three questions, differently.

Name: _____ Date: _____

OBJECTIVE

Explain how command, market, and mixed economic systems answer the three basic economic questions, and compare the role government plays in each.

1. The three basic questions

Question	Who answers it in a market economy?	Who answers it in a command economy?
What to produce?		
How to produce it?		
For whom to produce?		

2. Match the system

____ 1. Market economy

____ 2. Command economy

____ 3. Mixed economy

A. A central authority owns resources and directs what gets made

B. Prices and private choices, buyers and sellers, drive most decisions

C. Private markets operate alongside government regulation, taxation, and public goods

3. Rank the priorities

Every system trades off competing goals. If you were designing an economy, rank these 1 (most important) to 6 (least important), then compare with a classmate.

Rank	Goal
___	Freedom
___	Security
___	Equity (fairness)
___	Efficiency
___	Growth
___	Full employment

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DISCUSS

No right answer, just the strongest argument: sit with a partner who ranked their #1 priority differently than you did. Each of you gets 60 seconds to defend your #1, then try to poke a hole in your partner's.

4. Where does government step in?

- [ ] Providing public goods and services (roads, defense, schools)
- [ ] Redistributing income (taxes, benefits)
- [ ] Protecting property rights
- [ ] Resolving market failures (pollution, monopoly power)
- [ ] Regulating industries and protecting consumers

5. No country is purely market or purely command. Name one way the U.S. economy looks 'mixed' rather than purely market-driven.