

The Economic Spectrum

Traditional Economy
(Subsistence agriculture
- farmers grow enough
for their family)

Economic Systems

Controlled
Economy

Free Market
Free Enterprise

Communism

Socialism

Capitalism

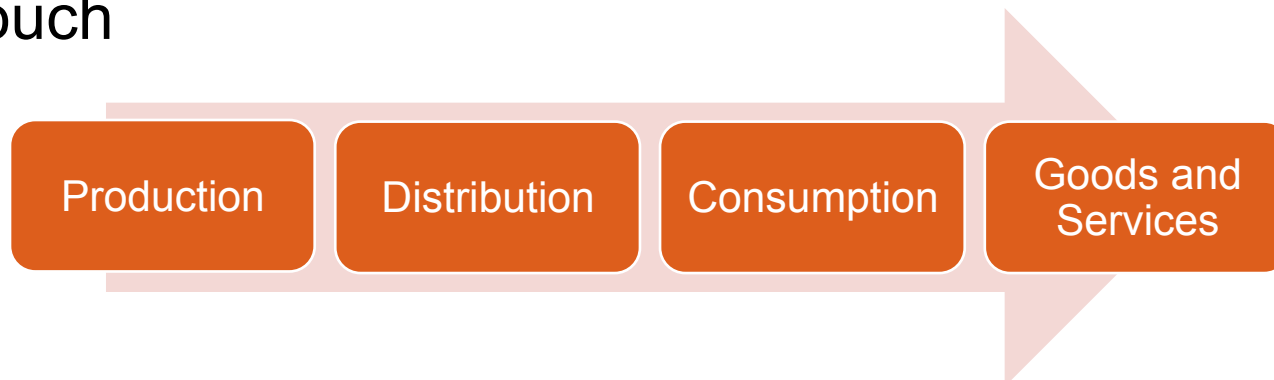
High degree of
government
control

Public
Ownership
(land and/or
natural
resources)

Low degree of
government
control

What is economics?

- A social science concerned with **description** and **analysis** of the production, distribution and consumption of **goods** and **services**.
- **Goods**: things you use or consume (food, books, cars, cell phones, etc.) these are things you can touch
- **Services**: something someone does for you; a service provided for you (haircut, someone fixes your car, someone tutors you, etc.) these are things you cannot touch



Subsistence Agriculture
(Farmers grow enough
for their family)

Economic Systems

Controlled
Economy

Free Market
Free Enterprise

Communism

Socialism

Capitalism

Government
Control

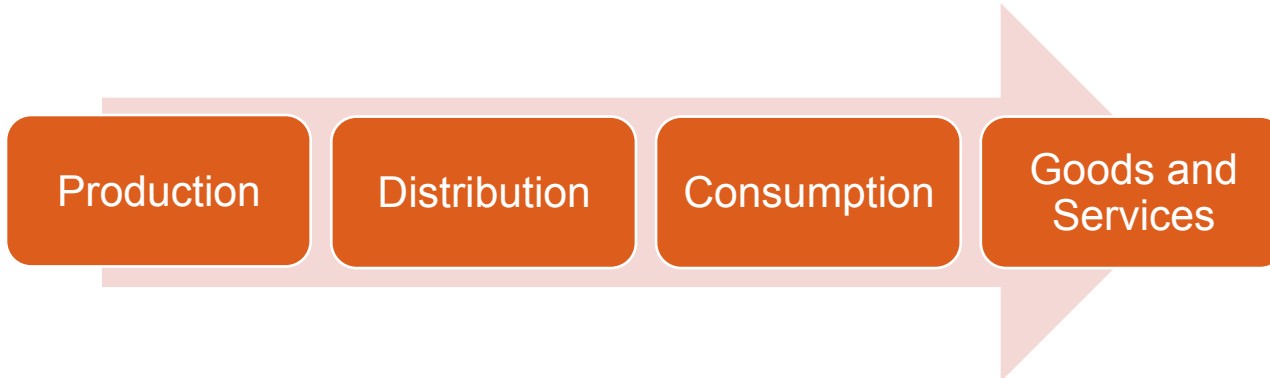
Public
Ownership
(land and/or
natural
resources)

Low degree of
government
control

Economic Systems



How much control over the means of production (how much to produce/what to produce, to whom/how it is distributed and the overall decision making process)



Economic Systems

- **Traditional:** *This economic system is based on hunter-gather or subsistence agriculture*
- **Free Enterprise:** *This economic system is based on private ownership of business and individual decisions on what to buy or sell.*
- **Command Economy:** *This economic system is based government control of businesses and decisions regarding types and locations of economic activity and production. Citizens can be assigned or strongly encouraged into various employment. There is little or no private ownership of businesses.*
- **Mixed Economy:** *This economic system forms the array between free enterprise (capitalism) and command economies (communism) with some private ownership and some government control of businesses.*

Economic Activities

- **Primary:** *Extracting natural resources or harvesting goods directly with no processing or manufacturing.*
- **Secondary:** *Manufacturing or processing raw materials.*
- **Tertiary:** *Providing a service.*
- **Quaternary:** *Researching, collecting, recoding, storing, exchanging, and disseminating information and data. Providing services for producers.*