

#### THE FUNDAMENTALS OF ECONOMICS

#### **Economy Overlap**

Most modern economies are mixed economies, combining elements of the different economic systems.

# Command Economy

- Government decides what products to produce and how
- Government owns land, utilities, factories, stores
- Products limited to necessities

### Mixed Conomy

- Regulations to protect consumers
- Programs for low-income families and the elderly

## Market Economy

- No government involvement in the production of goods and services
- Marketplace determines production
- Large selection of products



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#### **Incentives**

Businesses and governments use incentives to positively impact the economy.



