
Chapter 3 Political and Economic Analysis

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Section Outline with Content and Academic Vocabulary

Section Outline

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Chapter 3 Political and Economic Analysis

Section 3.1 What Is an Economy?

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Content Vocabulary

economy The organized way a nation provides for the needs and wants of a people. (p. 61)

resources All the things used in producing goods and services; a source of aid or support that may be drawn upon when needed. (p. 61)

factors of production Resources that are comprised of land, labor, capital, and entrepreneurship. (p. 61)

infrastructure The physical development of a country, such as roads, ports, and utilities. (p. 61)

entrepreneurship The skills of people who are willing to invest their time and money to run a business; the process of starting and operating your own business. (p. 62)

scarcity The difference between wants and needs and available resources. (p. 62)

traditional economy An economic system in which habits, traditions, and rituals answer the basic questions of what, how, and for whom. (p. 63)

market economy An economic system in which there is no government involvement in economic decisions. (p. 63)

command economy A system in which a country's government makes all economic decisions regarding what, how, and for whom. (p. 64)

Academic Vocabulary

approach Ideas or actions intended to deal with a problem or situation. (p. 61)

theory A belief; an abstract thought or idea. (p. 65)