

Name: _____

Grade: _____

Date: _____

Economic Systems

True and False

Instruction: The following statements are either **TRUE** or **FALSE**. Type the word **True/False** that best describes each statement.

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|----------------------------------------------------------------------------------------------------------------|-------------|--------------|
| 1. The government decides what to produce and how it will be produced in a traditional economy. | TRUE | FALSE |
| 2. An economic system allocates a nation's resources among its citizens. | TRUE | FALSE |
| 3. The capitalistic economic system has become the only viable system in the world. | TRUE | FALSE |
| 4. A mixed economy is the most common economic system in the world. | TRUE | FALSE |
| 5. The Bahamas is an example of a mixed economy. | TRUE | FALSE |
| 6. An economic system ensures that people have all the goods and services they want. | TRUE | FALSE |
| 7. A free market system, governments play a large role in deciding what goods to produce or services to offer. | TRUE | FALSE |
| 8. In a controlled economy free enterprise and competition are encouraged. | TRUE | FALSE |
| 9. In a socialist economy, the government owns and operates all sources of production. | TRUE | FALSE |
| 10. In the free market economy the government decides when to raise or lower prices on goods and services. | TRUE | FALSE |
| 11. In a free market economy the government owns all the means of transportation. | TRUE | FALSE |
| 12. In the controlled economy, workers have the right to organize in order to improve working conditions | TRUE | FALSE |

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|---------------------------------------------------------------------------------------------------------------|-------------|--------------|
| 13. The mixed economy has features of the free market economy and the controlled economy. | TRUE | FALSE |
| 14. In the free market economy individuals may prepare for and enter any occupation of their choice. | TRUE | FALSE |
| 15. In the subsistence economy individuals may prepare for and enter any occupation of their choice. | TRUE | FALSE |
| 16. In a mixed economy, business compete with each other for sales to customers. | TRUE | FALSE |
| 17. The free market economy encourages inequalities of wealth. | TRUE | FALSE |
| 18. In the controlled economy, market forces help consumers decide what will be produced. | TRUE | FALSE |
| 19. One of the features of globalization is the provision of high quality goods and services at a cheap rate. | TRUE | FALSE |
| 20. In the mixed economy, there is little specialization and little trade. | TRUE | FALSE |

Total marks [20]

