

Mixed Economy

Review . . . Types of Economies

TYPES OF ECONOMIC SYSTEMS			
	Definition	Associated Terms	Examples in Practice
1) <i>Market economy</i>	An economic system in which individuals own and operate the factors of production	Free enterprise Capitalism	
2) <i>Command economy</i>	An economic system in which the government owns and operates the factors of production.	Socialism Communism	Cuba China Laos
3) <i>Traditional economy</i>	An economic system based upon customs and traditions. Economy is based upon agriculture and hunting.	Non-Industrialized Agrarian societies	Chad Haiti Rwanda
4) <i>Mixed economy</i>	An economic system that has features of both market and command economies.		United States Great Britain Japan

Mixed economy is an economic system which is characterized by co-existence of both the public and the private sector. The former refers to that part of the economy which is directed and controlled by the state. The state owns all the factors of production, and uses them to achieve whatever goals it may have.

The latter refers to that portion of the economy which is directed and controlled by individuals or group of individuals. These individuals own some resources and use them to maximize and widen their profit.

Mixed economic systems characterize most developed countries. In fact, most economies of the developed countries are of this type. No capitalist economy is without some nationalized industries, i.e, state-regulated enterprise, while the Chinese economy has some private enterprise.

Exercise one: Complete with the following sentences with the right answer:

Mixed economy, traditional economy, market economy, command economy

1.usually centered around traditional family and social units such as a tribe.
2.determined by government officials
3.determined by individuals
4.both people and government are involved in the running of the economy.

It has features of market economy and command economy.

5. Match the words with their definitions

- | | |
|----------------------|--|
| To measure | _ The basic material from which a product is made. |
| Goods and services . | _ Employees |
| Productive resources | _ Merchandise or non material products. |
| Raw materials | _ The creation of something that has never been made before |
| Labor force | _ A building where goods are manufactured or assembled
Chiefly by machine |
| Capitals | _ Materials, labor, and money which is used to create goods
and services. |
| Invention | _ To ascertain the size, amount, or degree of (something) |
| Factory | _ Wealth in the form of money or other assets owned by a
person or organization |

6. Give job nouns of the following words

Economy Science....., Manufacture
work.....Manage, Factory....., Produce.....

7. Fill in the gaps with the appropriate words

Country, goods, production, economy, employed, social

The termrefers to the conditions under whichare produced in
a.....and the manner in which the people are gainfully It
connotes all the sources of employment and production. The economy is defined as
a.....domain that emphasizes the practices, discourses, and material expressions
associated with the, use, and management of resources'

Exercise 2: find the synonyms and the antonyms of the following words

Factories=	Public= / =
Government =	The former= / =
To increase=	Groups= / =
Managed=	To narrow= / =
To reach, to realize =	Loss= / =
Aims =	Whole, total= / =

Exercise 3: read the text then answer the following questions

1. What is meant by the public sector?
.....
2. Who directs the private sector?
.....
3. Where are mixed economy systems applied most?
.....

Exercise 4: Answer the following questions

What is the economic situation in your country at the moment?
.....

Which parts of the economy are doing well or badly?
.....

Which types of business are making profits or losses?
.....

What sort of businesses are good investments?
.....