Essay question for Chapter 2

“What are the four types of economic systems used primarily around the world?

Market Capitalism: economic system in which individuals and firms allocate resources and production resources are privately owned. Consumers decide what types of goods and services they desire and firms determine how much of each to produce; EX- America

Centrally planned capitalism: command resource allocation is utilized extensively in an overall environment of private resource ownership. EX- China and Russia

Centrally planned socialism: the state has broad powers to serve the public interest as it sees fit. State planners determine what and how much of goods and services should be produced. This has basically vanished since it does not work as an economic system. EX- North Korea, Cuba, Venezuela

Market socialism: market-allocation of policies are permitted within an overall environment of state ownership. EX- no countries currently use it, outdated