Unit II Economic Systems Vocabulary Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. In the spaces below provide a definition in your own words for the “magic words” provided.

2. In the space below provide an application of the magic words. This could be a drawing, diagram, example or use of the term in a sentence. You pick.

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|  **Magic Words** |  **Definition** |  **Application** |
| 1. **Economic system**
 |  |  |
| 1. **Safety net**
 |  |  |
| 1. **Standard of living**
 |  |  |
| 1. **Traditional economy**
 |  |  |
| 1. **Centrally planned / command economy**
 |  |  |
| 1. **Socialism**
 |  |  |
| 1. **Communism**
 |  |  |
| 1. **Market economy**

 |  |  |
| 1. **Mixed economy**
 |  |  |
| 1. **Market and households**
 |  |  |
| 1. **Firms**
 |  |  |
| 1. **Self interest**
 |  |  |
| 1. **Specialization**
 |  |  |
| 1. **Incentive**
 |  |  |
| 1. **Competition**
 |  |  |
| 1. **Invisible hand**
 |  |  |
| 1. **Consumer sovereignty**
 |  |  |
| 1. **Authoritarian**
 |  |  |
| 1. **Collective**
 |  |  |
| 1. **Heavy industry**
 |  |  |
| 1. **Laissez faire**
 |  |  |
| 1. **Private property**
 |  |  |
| 1. **Free enterprise**
 |  |  |
| 1. **Continuum**
 |  |  |
| 1. **Privatize**
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