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** |  |  |