

# Chapter 2 Economic Resources and Systems

## Section 2.2 Economic Systems

### Section Summary with Key Terms and Academic Vocabulary

**Business Activities** Businesses supply goods and services with the motivation of making profits. Companies thrive on competition, the contest between businesses to win customers. All businesses undertake these activities: identifying opportunities, evaluating demand, obtaining money, managing production, marketing to consumers and businesses, and keeping records. Consumers affect businesses by deciding what kind of goods and services to buy. Businesses affect consumers by making decisions about what products and services to offer and by providing jobs.

#### Key Terms

**economics** The study of how individuals and groups of individuals strive to satisfy their wants and needs through making choices

**economic system** The method that a society chooses to use and distribute resources

**e-learning** Electronic learning; the process of learning online

**market economy** An economic system in which economic decisions are made in the marketplace, where buyers and sellers meet to exchange goods and services, usually for money

**price** The amount of money given or asked for when goods and services are bought or sold

**supply** The amount of goods and services that producers will provide at various prices

**demand** The amount or quantity of goods and services that consumers are willing to buy at various prices

**equilibrium price** The point at which the quantity demanded and the quantity supplied meet

**command economy** An economic system in which a central authority makes the key economic decisions

**mixed economy** A combination of a market economy and a command economy

#### Academic Vocabulary

**relationship** The state of being related or interrelated

**interact** To act together, toward others, or with others

**observe** To watch carefully

**control** To exercise power or influence over something