

# Economic Systems of Europe

## Study Guide

### I. Economic Systems

1. Fill in the chart with a definition and an example of the 4 types of economic systems:

Economic System	Definition	Example
Traditional		
Command		
Market		
Mixed		

6. Most **democratic** countries have which type of economic system?
7. Most **communist** countries have which type of economic system?
8. What are the 3 basic questions that every economic system must answer?
9. Define free enterprise. Which system is this found in?
10. What is bartering? Which economic system uses bartering to trade goods?
11. Which economic system is based on individual choice?
12. Which country is the closest to having a pure Market economy?

### II. Trade Barriers

13. Fill in the chart below with a definition of the 3 types of economic trade barriers:

Economic Trade Barrier	Definition
Tariff	
Quota	
Embargo	

14. What are 2 examples of **physical trade barriers**?
15. Which type of trade barrier involves a limit on goods brought into the country?

### III. Economic Growth (Gross Domestic Product)

16. Fill in the chart below with a definition and an example of the 4 factors that contribute to economic growth:

Factor	Definition	Example
Human Capital		
Capital Goods		
Natural Resources		
Entrepreneurship		

17. Describe why a country would invest in human and capital goods?

18. Describe an entrepreneur and how that affects a country's GDP?

19. What does a country's GDP say about that country's economy? Explain what GDP means first...

20. Personal Money Management:

Key Term	Definition
Income	
Spending	
Budget	
Credit	
Saving	
Investing	

21. What can you invest your money in to make it grow? Give an example...

22. What do you use to buy something now and pay for it later?