

Name _____

Fueling Innovation and Entrepreneurship: The Influence of Economic Systems

Open-Ended Response Answer Key

1. The importance of profit-driven innovation in capitalism can be debated. Proponents argue that it drives economic growth and offers a wide array of consumer choices. Critics argue that it can lead to income inequality and may not always address essential societal needs.
2. Social safety nets in mixed economies play a crucial role in supporting entrepreneurs during economic challenges by providing a financial cushion, ensuring access to necessities, and reducing the fear of failure.
3. The economic system of a country can influence an entrepreneur's decision to pursue a venture. In a capitalist economy, the potential for profit may be a strong motivator, while in a socialist system, addressing societal needs may take precedence.
4. Entrepreneurs in a purely capitalist economy are motivated by the potential for high profits and face intense competition, while those in a socialist economy may focus on addressing societal needs but might have limited access to resources and face challenges related to competition and government regulations.

