

Name _____

Government's Role in the Economic Symphony: A Tale of Different Systems

Short Answer Key

1. In a capitalist economy, the government primarily enforces rules and regulations, protects property rights, and provides limited social safety nets. In a socialist economy, the government focuses on central planning, equitable distribution, and social welfare programs.
2. The main objective of central planning in a planned/command economy is to allocate resources, set production targets, and achieve specific societal goals outlined in the central plan.
3. Collective ownership means that major industries and resources are owned or controlled by the government or the collective society. In socialist economies, it aligns with equitable distribution, while in planned economies, it supports central planning objectives.
4. Price controls in planned economies benefit consumers by ensuring stable and affordable prices for essential goods and services, preventing inflation.
5. In a capitalist economy, the government protects property rights by enforcing laws that ensure individuals and businesses have legal ownership of assets, promoting investment and economic growth.

Open-Ended Response Questions:

