

Name _____

Private Property: The Key to Economic Systems

Short Answer Key

1. Private property ownership in a capitalist system serves as an incentive for individuals because they can benefit from the fruits of their labor, leading to increased productivity and innovation.
2. The primary difference is that in capitalism, private property is a cornerstone, while in socialism, major means of production may be collectively owned, reducing income inequality.
3. Advantage: Private property ownership provides incentives for productivity and innovation. Disadvantage: It can lead to income inequality and may not always prioritize social and environmental concerns.
4. In a capitalist system, private property ownership can impact access to resources like education and housing by allowing individuals with more resources to have better access, potentially leading to disparities.
5. An example of how private property ownership can lead to economic growth and innovation in a capitalist economy is the technology industry, where companies innovate to create new products and services to gain a competitive edge.

