

Name _____

Resource Allocation Magic: How Different Economic Systems Do It

Short Answer

1. How does a traditional economy decide how to allocate resources?
2. Explain the role of the government in a command economy's resource allocation.
3. What is the "invisible hand," and how does it influence resource allocation in a market economy?
4. What is the main idea behind a mixed economy's resource allocation approach?
5. Why is scarcity a significant challenge in resource allocation for all economic systems?

