

Classifying Types of Economic Activity

Below is a list of examples of economic activity. Discuss the examples with the other people in your group. Then decide, for each example, whether it represents a market, traditional, or command economic system. Circle the M, T, or C to represent your answer. Have reasons ready to support your decisions. Before you return to the whole group, be sure to add two or three examples of your own for each category in the columns below.

1. Ben becomes a police officer because his father was one – it runs in the family. (M/T/C)
2. Rachel thinks that her community needs another discount computer store, so she decides to start her own business. (M/T/C)
3. Norton is retired now, so he collects Social Security. (M/T/C)
4. Michelle refused to buy a pair of jeans because they cost too much. (M/T/C)
5. Every September George buys a new Chevrolet because every year he buys a new Chevrolet. (M/T/C)
6. Jen and her family live in housing which the federal government provides at a reduced rent. (M/T/C)
7. To increase his income, Huang Peilin raises chickens, ducks, and geese which he and his family sell at a local free market in northern China. (M/T/C)
8. The Soviet State Planning Commission (Gosplan) decides how many tons of coal should be produced. (M/T/C)
9. Stock market prices decline in Tokyo because of large offerings of steel stocks for sale. (M/T/C)
10. In Mexico City, business slacks off for lunch at 2:30 pm and gets started again around 5:00 pm. (M/T/C)
11. Soviet doctors may treat patients at home for a fee. (M/T/C)
12. Soviet doctors are employees of the state; any fee they charge for home treatment is regulated by the state. (M/T/C)

Types of Economic Activity – Your Own Examples

Market	Traditional	Command
1. _____ _____	1. _____ _____	1. _____ _____
2. _____ _____	2. _____ _____	2. _____ _____
3. _____ _____	3. _____ _____	3. _____ _____