

**Subject Area:** Economics & POB

**Level:** CSEC

**Curriculum Topic:** Types of Economic Systems

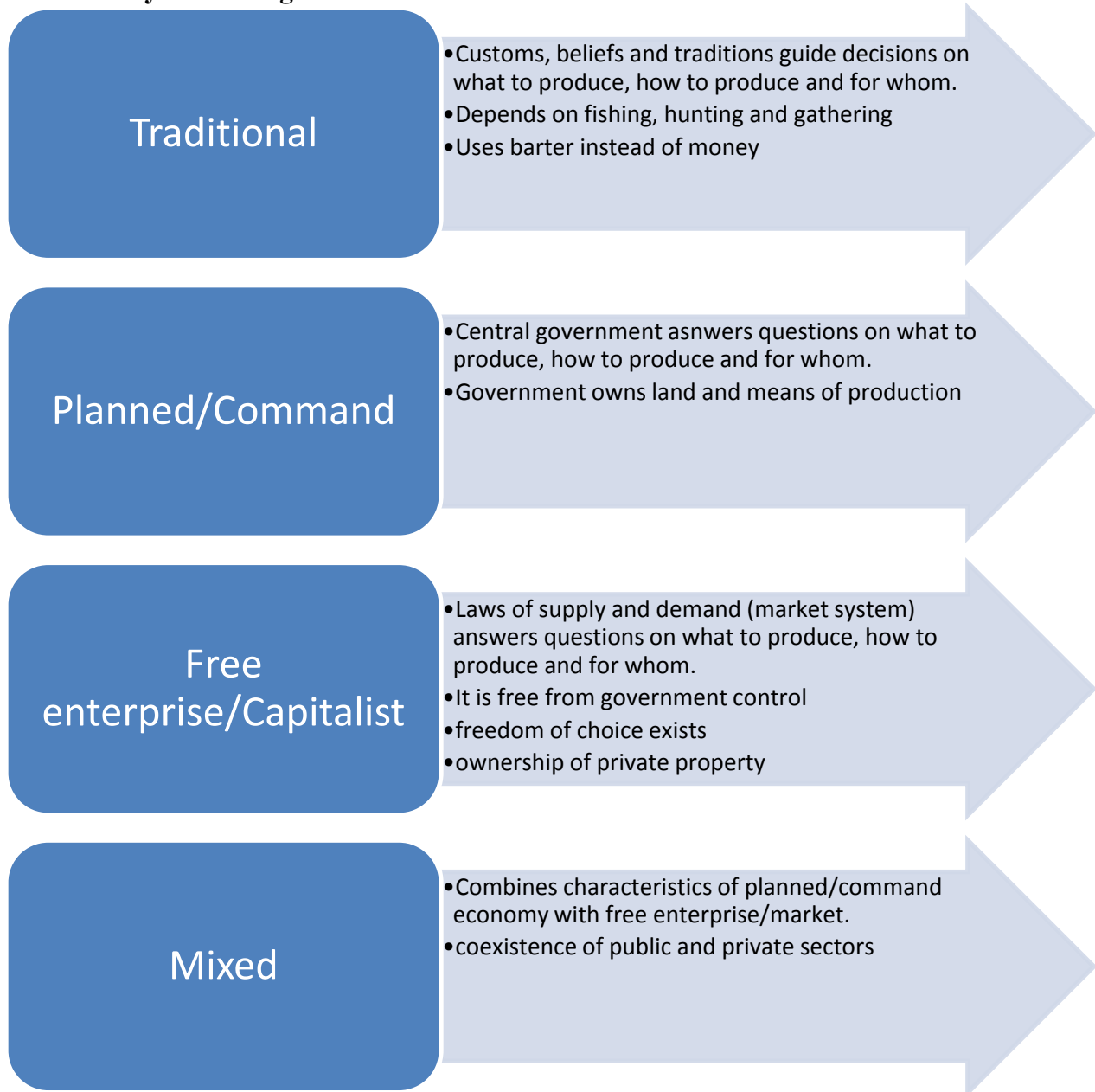
**CSEC Economics Section 2 Objective 10**

**CSEC POB Section 1 Objective 7**

**Key teaching points:**

- Describe the main types of economics systems
- Identify the characteristics of each economic system
- Differentiate among the types of economic systems

**Economic Systems Figure 1**



## Activity

Determine the economic system that exists in each scenario below and using the information from Figure 1, complete Figure 2. Give reasons for your selection.

### *Scenario 1*

Karin rises early every morning and watches the men of his tribe divide into two groups. As is their custom, one group will head to the sea to catch fish and the other will hunt agouti. This is in preparation for the evening meal. Karin will meet up with his friends and together they will pick fruits. Sometimes they get in the way of their mothers who are planting corn and vegetables. The chief has declared that there will be a celebration today as a neighbouring tribe will be exchanging some of the deer that they have caught for some of the agouti that the men will catch today.

### *Scenario 2*

Raul has obtained a job as a civil servant. He will receive the same salary as everyone else of \$2000 per month. His government has decided that it is in the best interest of his country to produce basic goods like rice, flour, chicken and vegetables. Raul receives free healthcare and education.

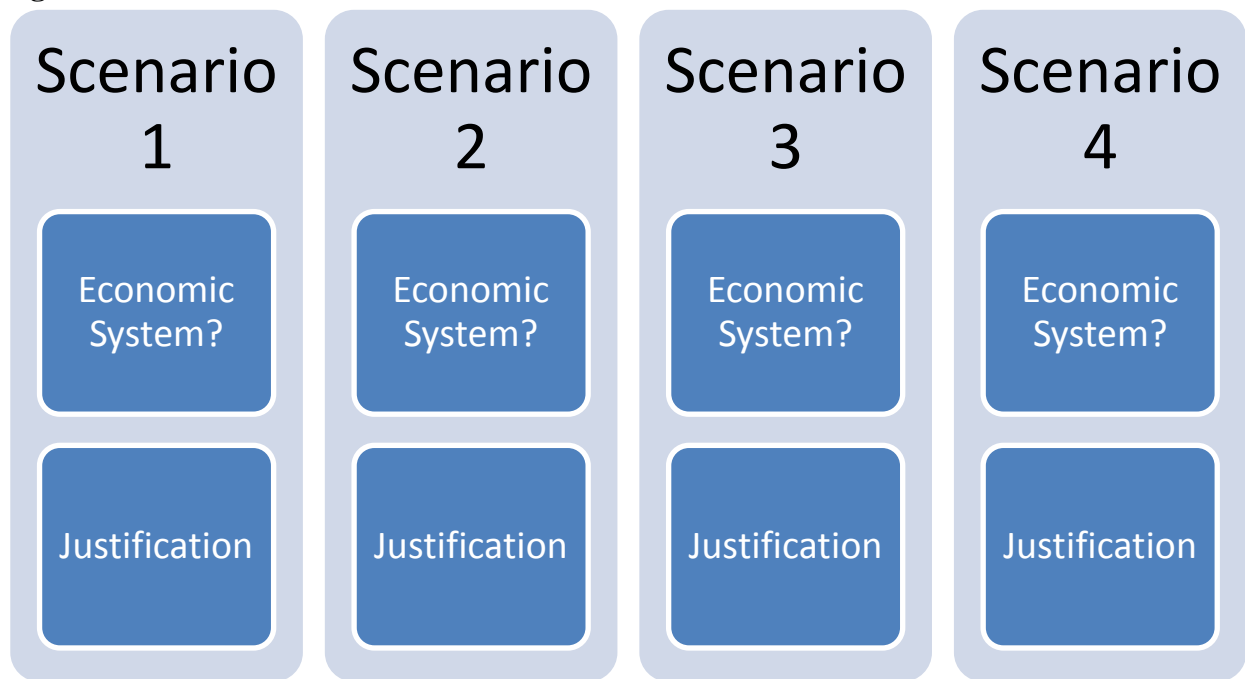
### *Scenario 3*

Lisa is a corporate executive and works for \$15 000 per month. She recently acquired some additional qualifications by spending 10% of her monthly salary. She has applied for a new position that will pay her \$25 000 monthly. Lisa plans to go on a spending spree as she needs new clothes and shoes and there is a new mall that she plans to spend her money at. Unfortunately Lisa gets sick and has to spend all of her money on healthcare.

### *Scenario 4*

Mandy has to make a big decision. She wants to further her studies but is unable to decide if she should attend the public university where courses are free or whether she should attend the private one which will cost her \$7000. At this point in time she finds that the service provided at the private hospital in town is better than that of the public health centre in her village. She often complains though that it is too expensive. The government currently owns the phone company however, there are plans to privatise in the next month. Mandy is excited as she feels that finally the telephone service will be 'state of the art'.

**Figure 2**



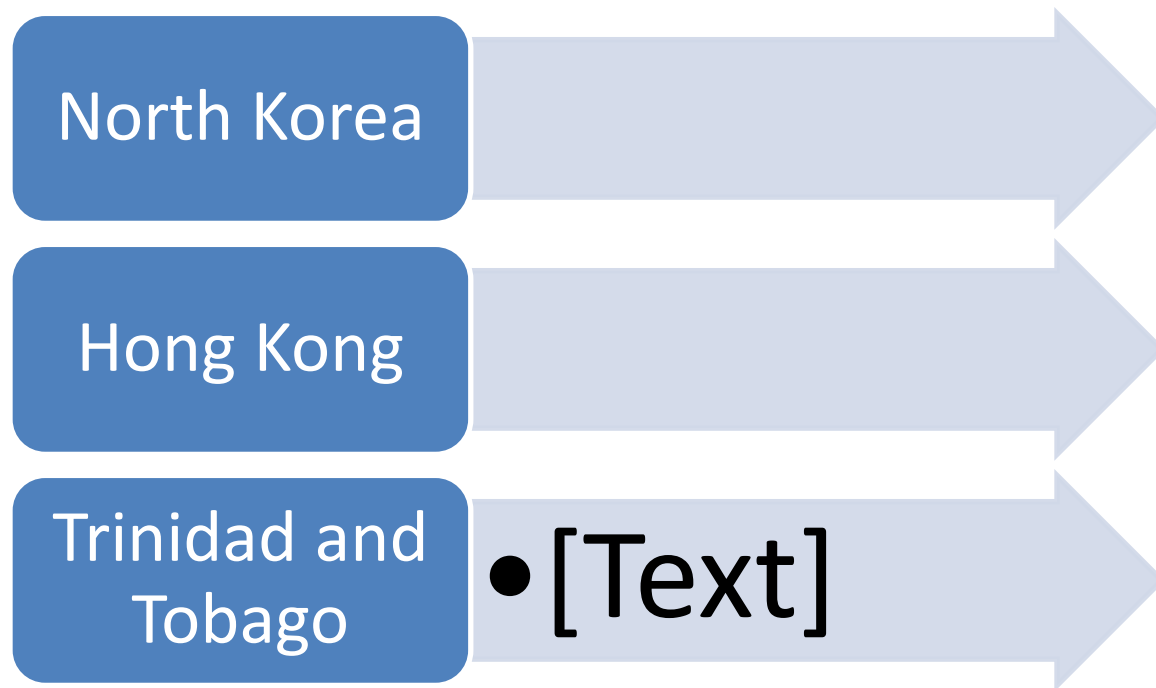
## Answer Key

Determine the economic system that exists in each scenario and complete the table below.

Scenario 1	Scenario 2	Scenario 3	Scenario 4
Traditional	Planned/Command	Free Enterprise/Capitalist	Mixed
Customs, beliefs and traditions guide decision making Depends on fishing, hunting and gathering Existence of barter	Central government makes decisions	Laws of demand and supply determines what to produce, how and for whom Freedom of choice exists	Coexistence of public and private sectors

### Test your skills

Complete the following diagram by researching the identified countries and their current economic systems.



**Answer Key**

North Korea

- Command/Planned

Hong Kong

- Free Enterprise/Capitalist

Trinidad and  
Tobago

- Mixed