

# Chapter 13

## Our Economic System

### Lesson 13.1

#### The Free Enterprise System

### Lesson 13.2

#### Being Your Own Boss

#### CAREER CLUSTER

You will explore careers in the Manufacturing career cluster.



#### What You'll Learn

- You will discover your place in the economy now and in the future.
- You will learn about the U.S. free enterprise economic system.
- You will find out what is involved in starting your own business.





## Get Ready!

### Conduct Interviews

Interview three family members or friends you know who work. Ask these questions:

- What items or services does your company sell?
- Who is your company's competition?
- What does your company do to make sure people buy its products?

**Apply** Write down the information you collect. What does it tell you about our economic system?

## Lesson 13.1

# The Free Enterprise System

### Discover

- The meaning of free enterprise
- How the free enterprise system works
- How you fit into our economic system

### Why It's Important

The more you understand about our economy, the better your chances of reaching your career goals.

### KEY TERMS

- economics
- economic system
- capitalism
- free enterprise
- regulate
- command economy
- socialist economy
- consumers
- producers
- profit
- supply
- demand

As a teen, you are a member of a group with a great deal of spending power. You and others your age buy all kinds of goods and services. Goods, as you recall from Chapter 2, are *items* that you buy, such as sports equipment, jeans, and computer games. Services are *activities* people might do for you for a fee, such as tutoring, bike repair, and teeth cleaning.

Many companies that provide goods and services take the interests of young people very seriously. These companies make it their business to know what young people want.

What do *you* know about these companies? What do you know about how the prices for goods and services are set? Do you understand why prices rise or fall?

## Economic Systems

You can find the answers to these questions by studying economics. **Economics** is the study of how people produce, distribute, and use goods and services. *Producing* means creating goods or services. *Distributing* means making goods and services available to the people who want or need them.

### Purchasing Power

Young people are an important part of the economy. *What kinds of goods and services have you purchased in the last month?*



## The Global Workplace

### Mind Your Meal Manners

Minding your manners during a dinner abroad is usually a matter of common sense. For example, you should always try all foods your hosts offer.

Sometimes, good table manners aren't what you'd expect. Go ahead, slurp your noodles and belch during a dinner in China, where such behavior is a sign that you're enjoying your meal. In the Philippines and Russia, don't clean your plate. A clean plate is a sign that you didn't get enough to eat—a terrible insult. Finally, forget about saying "thank you" to your dinner hosts in India. That's considered payment for the meal and very rude.

### Internet Activity

Use the Internet and library resources to research one other country. What are the traditions and customs observed during meals in this country? Go to the *Exploring Careers* Web site at [exploring.glencoe.com](http://exploring.glencoe.com) for a list of Web sites to help you complete this activity.



Delivering and selling are two ways of distributing goods and services. *Using* is what people do with goods and services.

How do people produce, distribute, and use goods and services? That depends on their country's economic system. An **economic system** is a country's way of making choices about how to use its resources to produce and distribute goods and services.

### The Free Enterprise System

The economic system of the United States is known as **capitalism**. Capitalism is also known as a market economy or a free enterprise system. **Free enterprise** means that individuals or businesses may buy and sell goods and services and set prices with little governmental control.

## Attitude COUNTS

### Assert Yourself

Assertive people confidently present themselves and their abilities to those around them. The first step in practicing assertiveness is to be friendly and outgoing. Use positive body language and speak with confidence. Share your ideas and opinions. Keep in mind though that nobody likes people who are bossy or arrogant. Be assertive, but always respect other people and their abilities.

### Cooperative Learning Activity

- Team up with a group of classmates.
- Brainstorm a list of things you can do in school to show that you are confident and assertive.
- Share your list with the class.

In a free enterprise system, individuals and businesses have a good deal of free choice. The government does not plan what or how many goods or services will be available. It does not tell people where to work. It also usually does not tell individuals or businesses what prices to charge.

That doesn't mean, however, that the government has nothing to do with business in a free enterprise system. In fact, the government plays a very important role. As you learned in Chapter 11, it passes laws that set workplace safety standards. It also passes laws to **regulate**, or set rules for, some prices and wages. Laws passed by the government protect workers and consumers.

### Other Economic Systems

There are other types of economic systems in other countries. In a **command economy**, the government makes all of the key economic decisions. In such a system, there is little economic freedom. There is also little incentive for people to increase their productivity. The main advantage of a command economy is that every citizen has an equal standard of living. The government provides each citizen with a job, a place to live, and health care.

In a **socialist economy**, there is private enterprise, but the government controls key industries and makes many economic decisions. Socialist countries tend to provide the public with more social services, such as health care and education, than capitalist countries do. They also tend to ensure a certain standard of living for everyone.

### How the U.S. Economy Works

People like you who buy and use goods and services are **consumers**. Consumers are an important part of the free enterprise system. In the United States, consumers decide which products will be produced and which companies will stay in business. They do this by shopping. Every time they make a purchase, they are "voting" with their dollars. The more votes (or sales) a product gets, the more likely the product and the company that produces it will succeed. Consumers decide how much demand there is for a product.

## Producers and Consumers

Where do the goods and services that consumers buy and use come from? Individuals or companies known as **producers** make or provide them. Producers are another important part of the free enterprise system.

Many young people are producers. If you design T-shirts, for example, you are a producer of goods. If you baby-sit, you are a producer of a service. Have you ever been a producer? What goods or services did you make or provide?

Once goods and services are produced, people or other businesses consume, or buy and use, them. The people who buy your T-shirts are consumers. The people for whom you baby-sit are also consumers. You become a consumer when you buy lunch, ride the subway, or get your hair cut.

Producers and consumers can't exist without each other. People and business and industry need each other. **Figure 13.1** on page 276 shows how business flows between these groups.

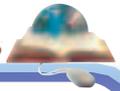
### The Producer's Goal: Making a Profit

Although they can't exist without each other, producers and consumers have very different goals. Producers try to make goods or provide services that consumers will buy. Consumers try to get what they need and want within the limits of how much money they have.

There are tens of thousands of producers in our economic system. Some are large companies owned by groups of people. Others are individuals who own and operate small businesses. Bike repair shops, hair salons, bakeries, and restaurants are just a few examples of small businesses. Your pet-grooming service and your friend's business selling handmade crafts are two more.

All businesses, both large and small, must earn a profit to keep operating. A **profit** is the amount of money left after the business pays its expenses. The main goal of a producer is to make a profit.

Exploring  
Online



Remember, one of your best resources is [exploring.glencoe.com](http://exploring.glencoe.com)



### New Enterprises

New businesses are always opening in a free enterprise system. An enterprise is something a person or group of people plans or tries to do. *Why do you think our economic system is called the free enterprise system?*



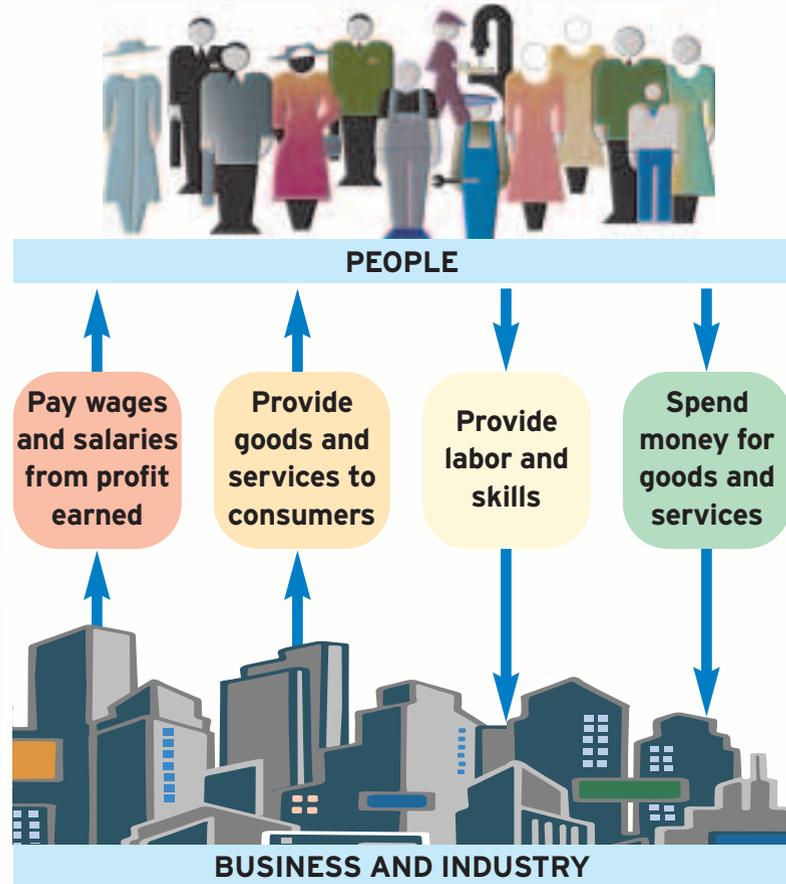
## Not-for-Profit Organizations

**Q:** I don't want to work for a business whose main goal is making a profit. Am I a misfit?

**A:** Perhaps a job in a not-for-profit, or *nonprofit*, organization would be a perfect fit for you. Most businesses want to make a profit, but not all. Some nonprofit organizations exist to serve charitable causes, not to make a profit. Churches, homeless shelters, and the YMCA are examples of nonprofit organizations. Public organizations, such as schools, libraries, and museums don't make a profit either.

Figure 13.1

## THE PATTERN OF THE ECONOMY



**Everyone Plays a Part** You play a part in the free enterprise system. This diagram shows how the money that you spend goes into businesses and comes back to you as a worker. It also shows how your skills help produce goods and services that consumers like you need and want. *How does the freedom of choice of a free enterprise system affect these processes?*

## One Producer's Experience

Take a look at Tom Hanshaw's business. Tom grows and sells flowers and vegetables in Peoria, Illinois. His first year in business he had no expenses and made a 100 percent profit.

Tom's parents bought him vegetable seeds and the other supplies he needed. He sold the vegetables he grew to his neighbors. His total sales at the end of the summer were \$50. Because Tom had not spent any money to do business, the money he earned was total profit. Tom's profit the first summer was \$50, or 100 percent of his sales.

The first summer, Tom's customers kept asking for flowers. The second year, Tom used part of his profit from the year before to buy both flower and vegetable seeds. It was an easy decision to grow flowers in addition to vegetables.

Tom spent a total of \$40 on seeds. He had no other expenses. The garden space was ready to be planted, and he had all the tools he needed. By the end of the summer, Tom had made \$253 selling his produce. He made a profit of \$213 the second summer.

The third summer, Tom decided to expand his garden. He planned to sell what he grew at a booth at the local farmers' market on Saturdays. What additional expenses do you think Tom faced when he made his garden bigger? Tom is looking forward to his fourth summer selling what he grows. He expects his profit to continue to grow. What are the secrets to Tom's success as a vegetable and flower producer? First, he has few expenses. Like other producers, Tom also tries to provide goods or services that consumers will buy. In addition, he listens to what his customers want. That also helps him make a profit.

### The Business of Profit

Making a profit is important to both large and small businesses.

*What kinds of expenses do businesses have?*



## Factors That Affect Prices

Like any producer, Tom wants to make a profit. Like other consumers, Tom's customers want to get what they need and want for the money they have to spend. You might say a consumer's main goal is to get the most for his or her money.

With that goal in mind, consumers pay a lot of attention to prices. They note changes in prices. They compare prices. Don't you? (You'll learn more about how to be a smart consumer in Chapter 14.)

Think about the last time you had your hair cut. Did it cost more or less than the haircut you had six months before? What kinds of prices have you paid for CDs? Do you always pay the same price for jeans?

There's nothing unusual about changing prices. In a free enterprise system, it's normal for prices to go up and down. Three main factors cause prices to change: supply and demand, production costs, and competition.

- **Supply and demand.** **Supply** is the amount of goods and services available for sale. **Demand** is the amount of goods and services that consumers want to buy. When supply is greater than demand, producers lower their prices. When demand is greater than supply, producers raise their prices.
- **Production costs.** The more it costs to make a good or provide a service, the higher its price. Remember, producers want to make a profit. To do so, they must sell their goods or services for more than it cost to produce them.
- **Competition.** When producers offer similar goods or services for sale, they are in competition. Sometimes competition is great—many producers are offering the same or similar goods or services. When competition is great, prices tend to be lower. When there is little or no competition, prices tend to be higher.

### See the Big Picture

During your lifetime, you will fill many different roles in the economy. *How might keeping up with news about the economy help you fill these roles?*

## The Big Picture

Consumers, producers, profits, prices, supply, demand, competition—each is an important part of our free enterprise economic system.

You already have a role in the economy. You are already a consumer because you buy goods and services. If you're not already a producer, you will be one day. In your work life, you will provide goods or services for other consumers. You will also be a voter helping decide what economic policies the government should follow.

To prepare to play these different roles in our economic system, stay informed. Pay attention to what is going on around the world. The global economy links the free enterprise system of the United States to all the other economic systems in the world. As you learned in Chapter 2, what is happening in our economy can affect other countries' economies. What is happening in other countries' economies can affect our own economy.

As part of the free enterprise system, you already have a role in the global economy.



## Evaluate International Career Opportunities

Knowing the similarities and differences among different types of economies will help you make wise career choices. It will help you compare employment opportunities in our free enterprise system to those available in the international job market. It will also help you set your career goals.

**Study Economic Systems** Research the market economy of the United States and the command or the socialist economy of another country. Create a chart with a column for each economic system. Enter into the chart your answers to these questions about these two economies:

- Why are jobs created?
- Who creates the jobs?
- How are wages determined?
- What are incomes based on?
- Who makes the production decisions?
- What determines the demand for labor?
- Is there a demand for technical skills?
- Is there equal employment opportunity under the law?
- Who is responsible for protecting workers' health and safety?
- Who sponsors retirement systems?

**Create a Venn Diagram** Prepare a Venn diagram comparing and contrasting the employment opportunities in the U.S. free enterprise system to those in the economic system of the other economy you researched. A Venn diagram is a visual way of showing how two ideas are similar and how they are different. It uses two overlapping circles to show the two ideas. The overlapping portion of the two circles shows the similarities among the two ideas. The remaining portions of the two circles show the contrasts, or differences, between the two ideas.

**Fill in Your Diagram** Label the left circle "Market Economy" and label the right circle either "Socialist Economy" or "Command Economy," depending on which type of economy you researched. In the overlapping portion of the two circles, write down any similarities of the two economic systems. In the non-overlapping portions of the circles, write down the contrasts between the two economic systems.

## Key Terms Review

- Write a series of questions and answers that use the terms below.
  - **economics**
  - **economic system**
  - **capitalism**
  - **free enterprise**
  - **regulate**
  - **command economy**
  - **socialist economy**
  - **consumers**
  - **producers**
  - **profit**
  - **supply**
  - **demand**

## Check Your Understanding

Choose the correct answer for each item. Write your answers on a separate sheet of paper.

- In a free enterprise system, individuals and businesses buy and sell \_\_\_\_\_.
  - goods and services
  - government control
  - enterprises
- Someone who buys and uses goods and services is a \_\_\_\_\_.
  - producer
  - regulator
  - consumer

## Critical Thinking

Use complete sentences to answer the following questions. Write your answers on a separate sheet of paper.

- Why does the government regulate prices and wages?

- Is it ethical for companies to make a profit by selling people things they can't really afford? Explain.
- What happens to prices when supply is greater than demand? When demand is greater than supply? Explain why this happens.

## Connecting to the Workplace

- Making a Profit** Jordan makes jewelry. He wants to sell his pieces at a craft show. He knows that there are already two other jewelers signed up to sell at the show. Most of their jewelry is in the \$15 to \$30 range. What could Jordan do to compete with the other jewelers and still make a profit?

## Teamwork

- Create a Skit** Work with a group to create a skit about the free enterprise system. Dramatize the way the system works. Include the roles of producers, consumers, and competitors. Use and explain the terms *profit*, *supply*, and *demand* in your dialogue. Make the skit simple enough for younger students to understand the basics of free enterprise. Perform your skit at an elementary school.



# Being Your Own Boss

Dreamer, doer, inventor, organizer—do any of these words describe you? Are you someone who likes to take risks, take action, take responsibility? If so, you may have a future as an entrepreneur. An **entrepreneur** is someone who organizes and runs a business.

If the idea of being your own boss appeals to you, you're not alone. The idea appeals to many people in the free enterprise system. Businesses owned and operated by individuals are an important part of our economy. They employ many people. More than 95 percent of U.S. workers work for small businesses.

## The Rewards and Challenges of Entrepreneurship

Being an entrepreneur offers many rewards and many challenges. Ask any entrepreneur how he or she likes running a



### Work for Yourself

You can gain experience as an entrepreneur by starting a business at home. *Why do you think many entrepreneurs like to work at home?*

### Discover

- The rewards and challenges of working for yourself
- How to start your own business

### Why It's Important

In the free enterprise system, many people own and operate their own businesses. One day, you may be one of them.

### KEY TERMS

- entrepreneur
- business plan
- marketing

business. You're likely to hear the same list of advantages and disadvantages.

Victor Klepack has been in business for himself since he was 17. He creates logos, or symbols that identify companies. Victor doesn't hesitate when asked about the rewards of being an entrepreneur.

“I'm in charge. That's the big thing. I'm the one who decides how to operate the business. When I work, how hard I work—it's all up to me. I like having that control over my life.”

“Every project gives me satisfaction. I make a good income, too. In fact, there's no limit to what I can earn. It's just a matter of deciding how many customers I want to handle.”

Victor is just as open about some of the challenges he faces as an entrepreneur. “I've never had an eight-hour workday,” he notes. “When I've got several jobs going, I may be up until midnight or later working. I have to put in long hours because there's a lot of competition out there. I need to deliver quality work. I also need to deliver it on time. If I don't, my customers will find someone else to do the job.”

## Career Opportunities

### Manufacturing

If you love to build things or make things, a career in the Manufacturing career cluster may be for you. Workers in this career cluster make everything from bathing suits to computer chips.

#### **Critical Thinking**

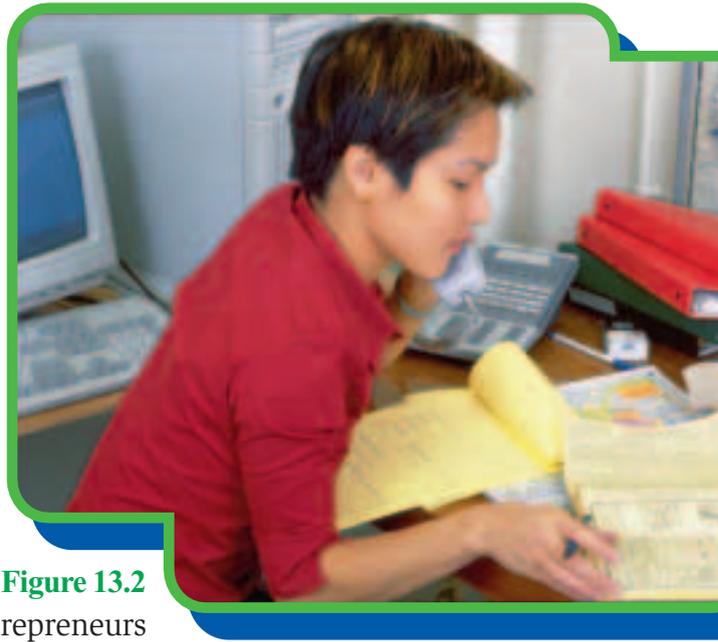
What people do you think a quality assurance manager would need to communicate with? Why?

#### **QUALITY ASSURANCE MANAGER**

Experienced manager needed to supervise quality assurance team and maintain quality of products manufactured in large factory. Requirements: bachelor's degree in science or engineering, teamwork skills, management skills, math and analytical skills.

Long hours and stiff competition are concerns that every entrepreneur shares. That's not all that's on the minds of most entrepreneurs. Running your own business involves financial risk. You can lose the money you've invested, or put into, your business. You may even lose more than you invested. In addition, there are no guarantees of success. Almost two out of three new businesses fail within their first four years.

Would you enjoy the rewards of being an entrepreneur? Would you be able to meet the challenges of running your own business? **Figure 13.2** on pages 284–285 shows qualities most entrepreneurs share. What kind of entrepreneur do you think you'd make?



## Launching Your Own Business

Is being an entrepreneur for you? You may picture yourself running your own business someday. Maybe you have an idea for a business right now. Whether you launch your business this weekend, next summer, or in the future, you will need a plan.

### The Importance of Planning

You already know why planning is important. As you learned in Chapter 5, a plan of action helps you reach your goals. To run a successful business, you need a business plan.

A **business plan** is a written proposal that describes your new business. It is often shown to people who can lend you money to start your business. It identifies the goods or services you will offer. It tells where your business will be located. It outlines your goals and gives a timetable for meeting them. It also describes who your customers will be and your marketing plan. **Marketing** is the process of developing, promoting, and distributing goods and services to consumers. Marketing includes market research, finance, pricing, promotion, service, distribution, and selling.

#### Market Yourself

Marketing is important no matter what the size of your business. *How would you advertise a business you might like to start?*

Whatever type of business you launch, you'll probably need some money to get it going. As part of your business plan, you'll figure out how much it will cost to start and run your business. You will decide how many employees you need, if any, and what you will pay them. You will also predict what your profits will be.

To start a business, you may just use money you have saved or you might borrow some from a family member. Many entrepreneurs borrow money from a commercial lender, such as a bank.

**Figure 13.2**

## QUALITIES OF ENTREPRENEURS

Entrepreneurs have many qualities in common. *Which qualities do you see in yourself? Which might you have to develop?*

**A**



### Motivation

Successful entrepreneurs know what they want to achieve. They believe in their ability to achieve it. They keep themselves motivated by setting short-, medium-, and long-term goals. Then they make and follow a plan for reaching those goals.

**B**



### Sight and Foresight

Entrepreneurs recognize opportunities. They see problems that exist now. They also foresee, or look ahead to, problems that may occur later. They find ways to build success on the problems they identify. They brainstorm solutions and put their ideas into action.

Sometime in the future, you may apply for a loan for a business you want to start. When you do, you'll need to have a detailed business plan ready for the lender.

### Putting an Idea on Paper

Now use your imagination. Make a plan for a business you would like to start and run right now. You don't actually have to start the business. Just dream a little. Then make a business plan detailing how your business can make money out of your dream.

**C**



#### Decision Making

Entrepreneurs make business decisions every day. Their decisions must be good ones. The operation and success of their business depends on them.

**D**



#### Human Relations

To operate a successful business, entrepreneurs must be able to interact with other people. Entrepreneurs need to build and keep good relations with both employees and customers. They do this by listening to employees and customers and responding to their needs.

## Develop a School-Based Business

Use all of the information you have gathered about careers, industries, and entrepreneurship to develop a small school-based business. Work with a group of students. Brainstorm a list of businesses that would be successful at your school. Conduct market research in your school to find out if students would patronize your business. Then work as a team to prepare a written business plan.

**Develop Your Business Plan** Now develop the business plan. The plan should answer the following questions.

- What goods or services will the business provide?
- Where in the school will the business be located?
- What are the goals of the business?
- What is the timetable for meeting the business's goals?
- Who do you expect your customers to be?
- What kind of marketing will you do?
- How much will it cost to start the business? Where will the money to start the business come from?
- How much will it cost to run the business?
- How many students will work for the business? How much will they be paid?
- How much profit do you expect the business to earn?

**Conduct Research, Then Carry Out Your Plan** To answer these questions, your group will need to do some research. Talk to students at other schools who run businesses similar to the one you have in mind. Ask businesspeople for advice. Make sure your plan includes all the information listed. Then carry out your plan by starting the school-based business.

Making a business plan is hard work, but it's also exciting. A business plan is a dream on paper. See **Figure 13.3** for a list of business ideas for young entrepreneurs. The list of business possibilities is endless!

Running your own business, being your own boss, is an adventure. It's not for everybody, but you never know—it could be for you.

**Figure 13.3**

## BUSINESS IDEAS FOR YOUNG ENTREPRENEURS

- Baby-sitting
- Tutoring
- Party planning
- House-sitting
- Obedience training
- Videotaping events
- Raising animals for sale
- Catering
- Car washing and cleaning
- Plant-sitting
- Lawn or garden care
- Pet bathing and grooming
- Grocery shopping
- Housekeeping
- Repairing bikes
- Making and selling crafts
- Designing T-shirts
- Pet-sitting
- Delivery or messenger service
- Garage cleaning
- Snow shoveling
- Washing and ironing
- Clothing repair
- Typing service
- Computer tutoring
- Wake-up service
- Growing and selling flowers or vegetables
- Baking services

**Endless Possibilities** The list of business possibilities is endless. *Have you ever done any of the jobs listed? Which ones? Which ideas would you like to pursue as a business of your own?*

**Key Terms Review**

1. Write a one-paragraph description of a business you would like to start someday. Use the following key terms in your description.
  - entrepreneur
  - business plan
  - marketing

**Check Your Understanding**

Tell whether each statement is true or false. Rewrite any false statement to make it true. Write your answers on a separate sheet of paper.

2. One of every three new businesses fails within its first four years.
3. You need to make a business plan before starting a business.

**Critical Thinking**

Use complete sentences to answer the following questions. Write your answers on a separate sheet of paper.

4. Imagine that you are an entrepreneur. What would you like most? Least?
5. Which of the qualities listed in **Figure 13.2** on pages 284–285 do you think an entrepreneur needs most? Why?
6. What should you consider in choosing a location for a business?

**Character Building**

7. **Starting a Business** Lori is starting a garden care business in her neighborhood. From her research she learned that overusing pesticides to rid gardens of pests and weeds is bad for the environment. Pesticides make garden care easier and quicker, though. This means more customers and profits. So, if Lori wants to have a pesticide-free business, she will need to charge more for her services. Which type of garden care service do you think Lori's business should provide? Why?

**Community Involvement**

8. **Survey Marketing Methods** Together with a small group of classmates identify three successful small businesses in your community. Survey these businesses about the different kinds of marketing they do to target their customers. For example, do they give away free samples to advertise? Do they charge lower prices than their competitors? Share the results of your group's survey with the class. As a class discuss the marketing methods that were mentioned most. Why do you think they are successful?



# Investigating Career Clusters



## MANUFACTURING

**Manufacturing** • The process of making products by hand or by machine

Job Title	Work Description
<b>Boilermaker</b>	Creates and maintains steam boilers used to heat large buildings
<b>Electrical/Electronics Engineer</b>	Designs, develops, tests, and supervises the manufacture of electrical and electronic equipment
<b>Industrial Designer</b>	Develops and designs products such as cars, home appliances, and computer and medical equipment
<b>Machinist</b>	Uses machines such as lathes and drill presses to make metal parts
<b>Mechanical Engineer</b>	Designs tools, engines, and machines
<b>Plastics Machine Operator</b>	Sets up and operates machines that produce items from plastic, such as toys and car parts
<b>Production Manager</b>	Coordinates the activities of a production department
<b>Textile Designer</b>	Designs fabrics for clothes, upholstery, rugs, and other products
<b>Tool and Die Maker</b>	Produces tools, dies, and other devices that help machines mass-produce parts

### Exploration Activity

**Manufacturing** Use library and Internet resources to research a career in the Manufacturing career cluster. Write a report on your findings. Include information about the kinds of work, the skills required, the working conditions, the training and education required, and the career outlook.

**Cooperative Learning** Interview a classmate about the career he or she researched. Find out as much information about that career as you can during the interview. Then have your classmate interview you about the career you researched. Afterward, take turns sharing what you learned from each other with the class.

### Chapter Highlights

**Lesson 13.1** In a free enterprise system, individuals and businesses buy and sell goods and services and set prices with little government control.

**Lesson 13.2** Owning your own business offers both rewards and challenges. A business plan is a proposal that describes a business.

### Key Concept Review

Use complete sentences to answer the following questions. Write your answers on a separate sheet of paper.

1. What are two names for the economic system of the United States?
2. What roles will you play in our economic system?
3. What is an entrepreneur?
4. What kind of information needs to be included in a business plan?

### Critical Thinking

Use complete sentences to answer the following questions. Write your answers on a separate sheet of paper.

5. Why do workers in a command economy have less incentive to be productive than workers in a free enterprise system?
6. Which qualities of entrepreneurs are also important to have when you work for someone else? Why?

### Skill Building

#### 7. Thinking—Creative Thinking

Do you, like most entrepreneurs, see problems as opportunities? Think of a need in your school or community that you could fill by starting a business. Write a summary of the need and how your business would fill it. Share your summary with the rest of the class. As a class, vote on the most creative business solution.

#### 8. Systems—Understands Systems

List the advantages and disadvantages of each economic system you have read about in this chapter. Use this list to help you write an essay about the positives and negatives of a capitalist economy, a command economy, and a socialist economy. In your essay state your opinion on which economic system offers the most opportunities for workers and why.

## Academic Applications

### 9. Mathematics



Gema sells sodas and ice cream at outdoor sports events. She buys sodas for 50 cents each and ice cream bars for \$75 per hundred. She marks up all the items by 100 percent, selling the sodas for \$1.00 and the ice cream bars for \$1.50. One day, she sold 100 sodas and 90 ice cream bars. Her expenses totaled \$31.50. What was her profit?

### 10. Social Studies



With a partner, research a country that had a command economy or a socialist economy in the past, but has now changed to a free enterprise system. What effect has this change had on the country? Use the Internet and library resources to get the information you need. Then write a report about the changes that have happened in this country.



## Awards and Honors

- **List** the academic, work, and extracurricular honors and awards you have received.
- **Write** a sentence or two that describes each honor or award and explains why you achieved it.
- **Include** on your list any special recognition you have earned for service and leadership.
- **Note** which recognitions were earned while working on teams with others. Write a sentence or two about the teamwork skills you used while working on the teams.
- **Title** the document *Awards and Honors* and file it in your Personal Career Portfolio.
- **Update** the document when you receive new awards, honors, or special recognitions.
- **List** your portfolio entry on your Personal Career Portfolio contents page.