

The Role of Competition

Directions: Your Guided Notes are a tool to use as you read your lesson pages in the course. These important notes will help guide your note-taking throughout the course. You do not need to submit your Guided Notes for grading.

Key Vocabulary

Word	Meaning (use context clues)
Economy	
Common good	
Economic system	
Monopoly	
Innovation	
Efficient	
Natural monopolies	

Economic Systems

What are the three basic economic questions?

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Complete the chart below to record your notes on three famous economic thinkers. One example is provided for you.

Name	Type of Economic System	Who Answers the Three Basic Questions?	Why Did He Support It?

Adam Smith	<i>Free market</i>	<i>Individuals and business owners</i>	<i>Thought competition and forces of supply and demand would encourage growth.</i>
Karl Marx			
John Maynard Keynes			

Complete the following chart to record your notes on the four types of economic systems.

Type	Notes
Command	
Market	
Mixed	
Traditional	

Capitalism

What is capitalism?

What are some advantages of a capitalist economy?

What is a socialist economy?

What is a communist economy?

The Government and Competition

What are laws and regulations? How do they differ from each other?

In your own words, describe four examples below.

	Description and Notes
Antitrust	
Patent	
Price controls	
Quality standards	

What was the Sherman Antitrust Act? Why was it important?