

Name: _____

Related Issue 2 Unit 2 Economics Pros of Capitalism (Pros)

Scarcity:

Humans have unlimited _____ and wants.

3 types of resources:

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Three basic economic questions are:

- 1.
- 2.
- 3.

Three basic economic systems:

1. Market Economy – also known as...
2. Planned economy - also known as...
3. Mixed Economy – can range from...

Classical Liberalism:

Protestant Reformation: value of _____

Industrial Revolution:

- Transportation =
- Population explosion =
- Success in Europe=

Liberal Movement (Classical Liberalism)

- Merchants complain about _____ and believed economy should follow natural laws (_____ and _____)
- Believed people motivated by _____; competition encouraged better _____ by workers

Promotion of Classical Liberal Ideas

Enclosure Act:

Factory System:

Rise of Middle Class and Nouveau Riche:

Adam Smith:

- Strength of nations rested on _____ produced
- Laws and restrictions hindered rather than promoted _____
- Invisible Hand – explain
- Government should ONLY interfere to protect the country against _____, ensure _____, maintain law and order and protect individual _____ rights. Laissez-faire.

Other characteristics of Classical Liberalism (Capitalism):

- Self reliance
- Private _____
- _____ motive
- Price system (_____ and _____)
- Competition
- Inequalities of _____

Three Benefits or Pros of Capitalism:

- 1.
- 2.
- 3.