

Directions: Fill in the outline below. Filling in the blanks will help you as you read and study Chapter 23.

I. Section 1: Capitalism

A. The Factors of Production

1. The three factors of production are _____,
_____, and _____.
2. _____ are people who bring the factors of production together to produce goods and services.

B. The Free Enterprise System

1. The free enterprise system is based on _____
_____, _____,
_____, _____, and _____.
2. In a free enterprise system, the law of _____
and _____ sets prices.

C. Laissez-Faire Theory

The laissez-faire theory says that government's role in society should be _____.

D. Mixed Economies and Business Organizations

1. A mixed economy includes both _____
_____ and _____
_____.
2. Businesses can be organized as _____
_____, _____,
or _____.
3. The amount of money left in a business after all costs are paid is called _____.

CHAPTER OUTLINE (continued)**Comparative Economic Systems****2****II. Section 2: Socialism and Communism****A. Karl Marx**

1. Karl Marx and Friedrich Engels criticized the Industrial Revolution in *The* _____, written in 1848.
2. Marx believed that working people would revolt, bringing an end to _____ and _____.

B. Socialism

1. Socialist governments use four public policies: nationalization, _____, _____, and a _____.
2. Today, _____, or the complete control of industry and agriculture by the government, is no longer popular in socialist countries.

C. Communism

1. A _____ - _____ is used by communist countries to set economic goals.
2. Communist governments practice _____, or the joining together of small farms into a large government-controlled one.
3. After the Soviet Union dissolved in 1991, many industries became _____.
4. In 1958, the _____ eliminated all private industry in China.
5. Today, the countries of _____, _____, _____, and _____ are communist countries.

CHAPTER OUTLINE (continued)

Comparative Economic Systems

2

D. Results of Socialism and Communism

Some people say that _____ is not rewarded in command economies.

III. Section 3: The United States in a Global Economy

A. The Government and the Economy

1. The _____ controls interest rates and the amount of money in the economy.
2. The _____ of _____ protects American workers.

B. A Global Economy

The dependence of the countries of the world on one another for the items they cannot produce is known as _____.

C. U.S. Trade Policies

1. _____ are fees on imported goods that protect industries from foreign competition.
2. _____ is a free trade agreement between the United States, Canada, and Mexico.

D. Impact of Trade

The U.S. buys more from China and Japan than these countries buy from the U.S. This is called a _____.