Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Economic Systems of Europe**

Study Guide

**I. Economic Systems**

1. Fill in the chart with a definition and an example of the 4 types of economic systems:

|  |  |  |
| --- | --- | --- |
| **Economic System** | **Definition** | **Example** |
| **Traditional** |  |  |
| **Command** |  |  |
| **Market** |  |  |
| **Mixed** |  |  |

6. Most **democratic** countries have which type of economic system?

7. Most **communist** countries have which type of economic system?

8. What are the 3 basic questions that every economic system must answer?

9. Define free enterprise. Which system is this found in?

10. What is bartering? Which economic system uses bartering to trade goods?

11. Which economic system is based on individual choice?

12. Which country is the closest to having a pure Market economy?

**II. Trade Barriers**

13. Fill in the chart below with a definition of the 3 types of economic trade barriers:

|  |  |
| --- | --- |
| **Economic Trade Barrier** | **Definition** |
| **Tariff** |  |
| **Quota** |  |
| **Embargo** |  |

14. What are 3 examples of **physical trade barriers in Europe**?

**III. Economic Growth (Gross Domestic Product)**

16. Fill in the chart below with a definition and an example of the 4 factors that contribute to economic growth:

|  |  |  |
| --- | --- | --- |
| **Factor** | **Definition** | **Example** |
| **Human Capital** |  |  |
| **Capital Goods** |  |  |
| **Natural Resources** |  |  |
| **Entrepreneurship** |  |  |

**IV. Comparing European Economies**

20. Russia’s economy has moved away from Command and more towards Market since 1991—why?

21. What do the economic systems of United Kingdom, Germany, & Russia all have in common?

22. How do Russia’s harsh climate, size, and few navigable rivers affect its economic development?

**V. Foreign Exchange**

23. Define “foreign exchange”:

24. Why does international trade require a system for exchanging currencies?