

# Guided Reading

## Studying Geography, Economics, and Citizenship

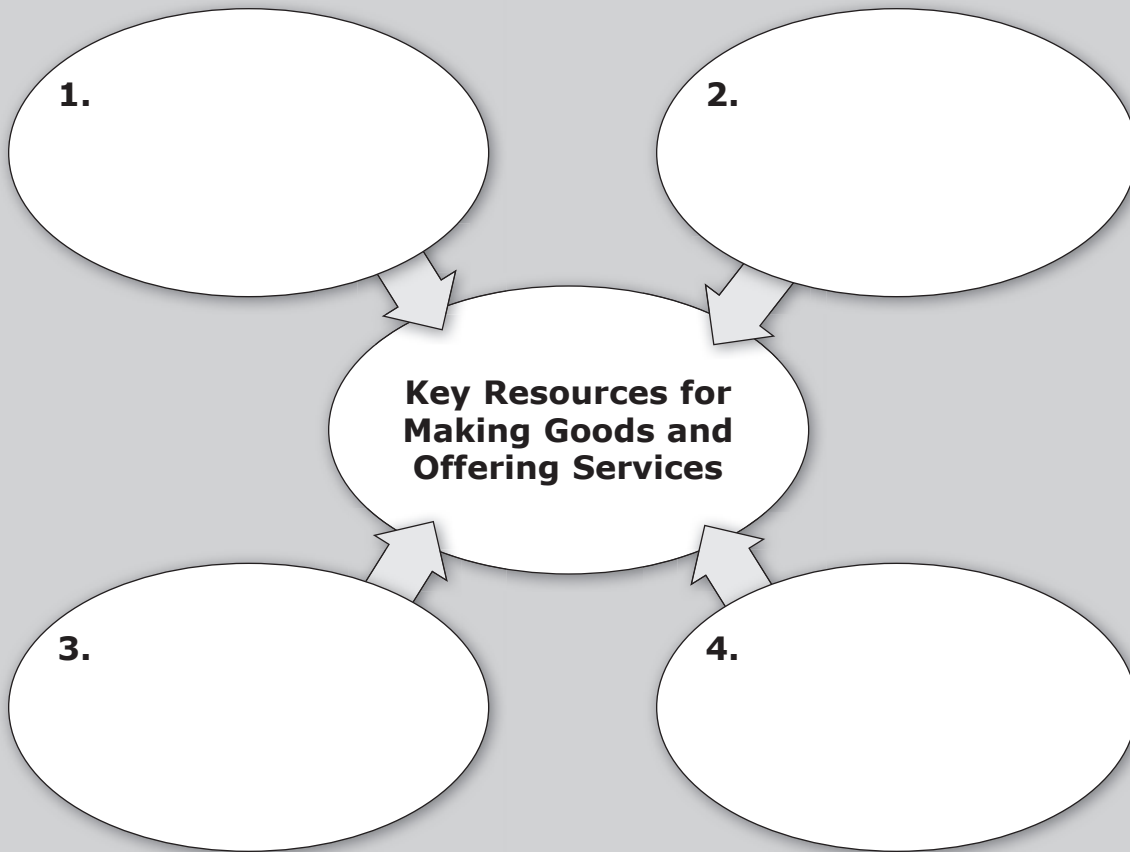
### Lesson 2 *Exploring Economics*

#### ESSENTIAL QUESTION

*Why do people trade?*

### What Is Economics?

**Identifying** Fill in each oval with the name of one of the basic resources and its definition.



# Guided Reading *Cont.*



## Studying Geography, Economics, and Citizenship

**5. Describing** Give one example of each type of resource.

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**6. Drawing Conclusions** How do supply and demand work together to affect prices?

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**7. Making Connections** How does scarcity affect supply and demand?

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**8. Explaining** Describe *opportunity* cost using your own words.

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# Guided Reading *Cont.*



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### Managing and Measuring Economies

**Summarizing** Write the four major economic systems and their descriptions in the chart below.

Type of Economic System	Description
Traditional Economy	<b>9.</b>
Command Economy	<b>10.</b>
Market Economy	<b>11.</b>
Mixed economy	<b>12.</b>

**13. Contrasting** Who describes what to make in a command economy? Who decides in a market economy?

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**14. Drawing Conclusions** Why do governments want to keep their economies growing?

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# Guided Reading *Cont.*



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### Trade in World History

**Listing** In the left column, list the reasons why a country would trade and in the right column, list the reasons why it might not trade. Include reasons for and against globalization and free trade.

**15. Reasons to Trade**

**16. Reasons Not to Trade**


**Balancing Options**

**17. Contrasting** What are the benefits and drawbacks of free trade?

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**18. Analyzing** How does the price of goods affect decisions to trade or not trade?

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