POLITICAL AND ECONOMIC SYSTEMS

1. Governments can fall into 3 categories.
   - Unitary: Federal government holds all authority and power
   - Confederal: Local governments hold most power but give central government specific power
   - Federal: Local and Federal government share power and responsibilities

2. What are the 3 main types of governments? Oligarchy, Autocracy, Democracy

3. VIDEO:
   a. When making a government what is the first question to ask? Who gets top have the decision-making power?
   b. When can a direct democracy work well? Small amount of people
   c. What type of Government is found in the USA? Republic
   d. When a small groups has power it is called an Oligarchy
   e. Who runs a monarchy? King or Queen

4. In an Autocracy, a ruler inherits the throne by birth or military power. Citizens do not have a right to decide laws

5. What are some ways that dictators can stay in power? Arrest or attack protestors, promise a better life especially for the poor.

6. Who holds power in an Oligarchy? What role do citizens have in this government? Small group of people, citizens have little-to-no say in government

7. In a Theocracy Religion is the source of power. Ruler usually believed to be divinely inspired. Citizens do not have a right to decide laws.

8. In a Democracy, leaders rule with the consent of the people. What does this mean? Citizens have a say in in the laws and politics

9. Types of Democracies:
   a. Direct Democracy: Every person votes on all laws.
   b. Representative Democracy: A representative votes on behalf of citizens he represents and held accountable to those citizens

10. VIDEO:
    a. What is politics? How power is distributed in government
    b. What are four ways people can participate in government? Vote, work for a campaign, blog, run for Office, call or write your representative
POLITICAL AND ECONOMIC SYSTEMS
PART 2

11. Define the following:
Natural Boundary: *follows physical geographic forms*

Cultural Boundary: *Separate areas with cultural differences (i.e. language, religion)*

Geometric Boundary: *Lines drawn with little-to-no consideration to geography or culture*

**Economics**

VIDEO:

12. What is Scarcity? *Limited resources and unlimited wants*

13. Why should you study economics? *Learn how to make better decisions based the economic theory of scarcity, how to get the biggest bang for the buck.*

14. What is economics? *The study of how goods and services are produced, distributed, and consumed.*

Producer: *The people who make goods or services*

Consumer: *The people who buy goods or services*

15. What are the 3 different economic systems?

16. In a *Traditional* economy, Habit and custom determine the rules for all economic activity. People find *food* for themselves and trade for needed goods. This system is found among *herders* or small *farmers*

17. In a *market* economy, People own *companies* and decide what to produce to make consumers *happy.* Sometimes called “*capitalism*” or “free-enterprise system”

Capitalism: *Private* ownership of business and property functioning to make a *profit*

Free-Market: Prices are set by *businesses* supply and demand, competition, etc. without *government* interference

Mixed Economy: *Government* has some say but businesses are privately owned

18. In a Command Economy, *government* owns or directs means of production (land, labor, capital, managers). Examples:

19. Socialism: the government runs some *industries*, such as oil, and uses profits to *pay* for health care, education. Example: *Venezuela*

20. Communism: the *government* runs *all industries*, owns all property, sets wages, and prices, and people must do as they are told. Ex. *North Korea*