

## Activity 3

# Assessment

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Read the following statements. Indicate whether each statement is true (T) or false (F).

1. \_\_\_\_\_ An economic system is the way in which people decide to organize the production, distribution, and consumption of goods and services.
2. \_\_\_\_\_ What, how, and for whom to produce are the basic economic questions that every society must answer.
3. \_\_\_\_\_ All societies answer the three basic questions in the same way.
4. \_\_\_\_\_ In a command economy, a central authority makes the decisions regarding what, how, and for whom to produce.
5. \_\_\_\_\_ The three basic economic questions are: What to produce? How to divide labor in production? And Who owns the productive resources?
6. \_\_\_\_\_ In a market economy, only the government decides what goods and services are produced.
7. \_\_\_\_\_ In a command economy, consumer purchasing decisions determine what will be produced.
8. \_\_\_\_\_ In a command economy, the government decides how the goods and services that are produced will be distributed.
9. \_\_\_\_\_ In a market economy, decisions regarding production and consumption result from the interaction of consumers and producers.