



# Economic Theories

# Economics

- Limited Resources
- Unlimited Wants
- Governments Regulate Resources Through Various Economic Systems
- Economic Systems Decide
  - What and how much is produced
  - How goods and services are produced
  - Who gets the goods and services

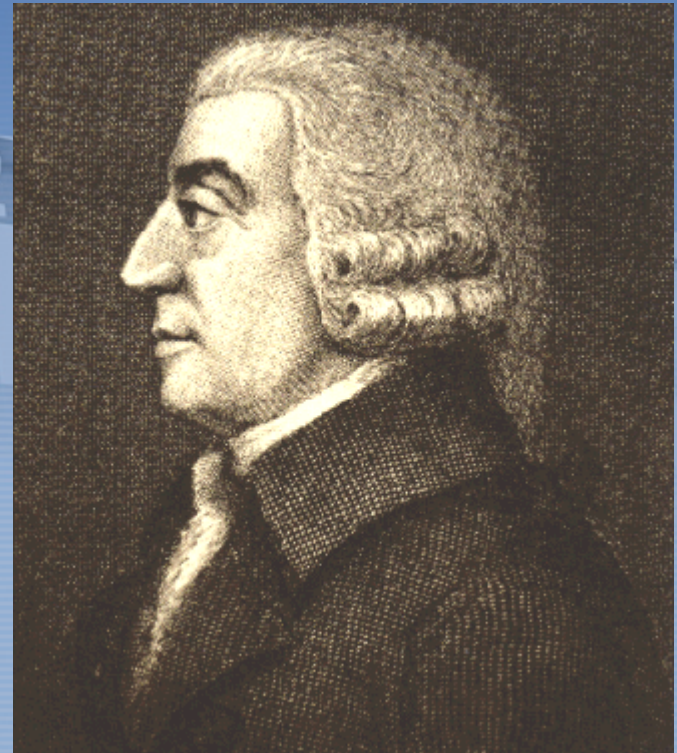
# Capitalism

- Private ownership of property and economic resources
- Free enterprise
- Competition among businesses
- Freedom of choice
- Possibility of profits



# Origins of Capitalism

- Opening of Eastern trade routes
- Rise of merchant class and free markets in Europe
- Fall of monarchies and the feudal system in Europe
- Adam Smith
- Laissez-faire



# Capitalism in the United States

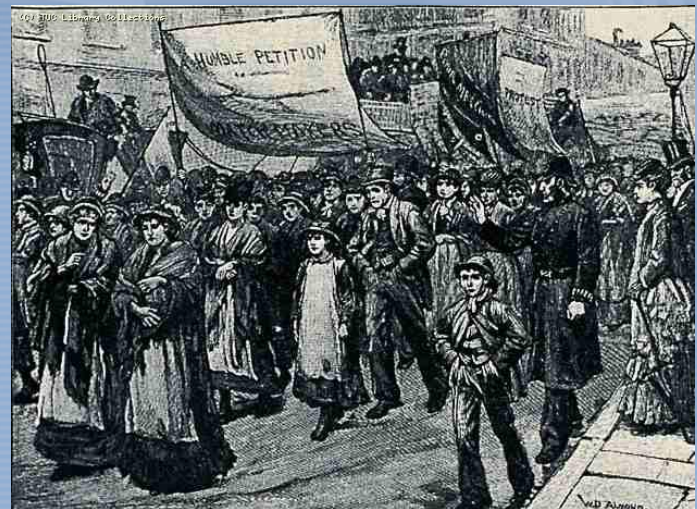
- 20<sup>th</sup> Century Events Shaped Economy
  - Progressives
  - World War I
  - The Great Depression
  - The New Deal
  - World War II
  - Cold War and the Military Industrial Complex
  - Rise of Computers, the Internet, and the Global Economy
  - Terrorism
- Mixed Market Economy





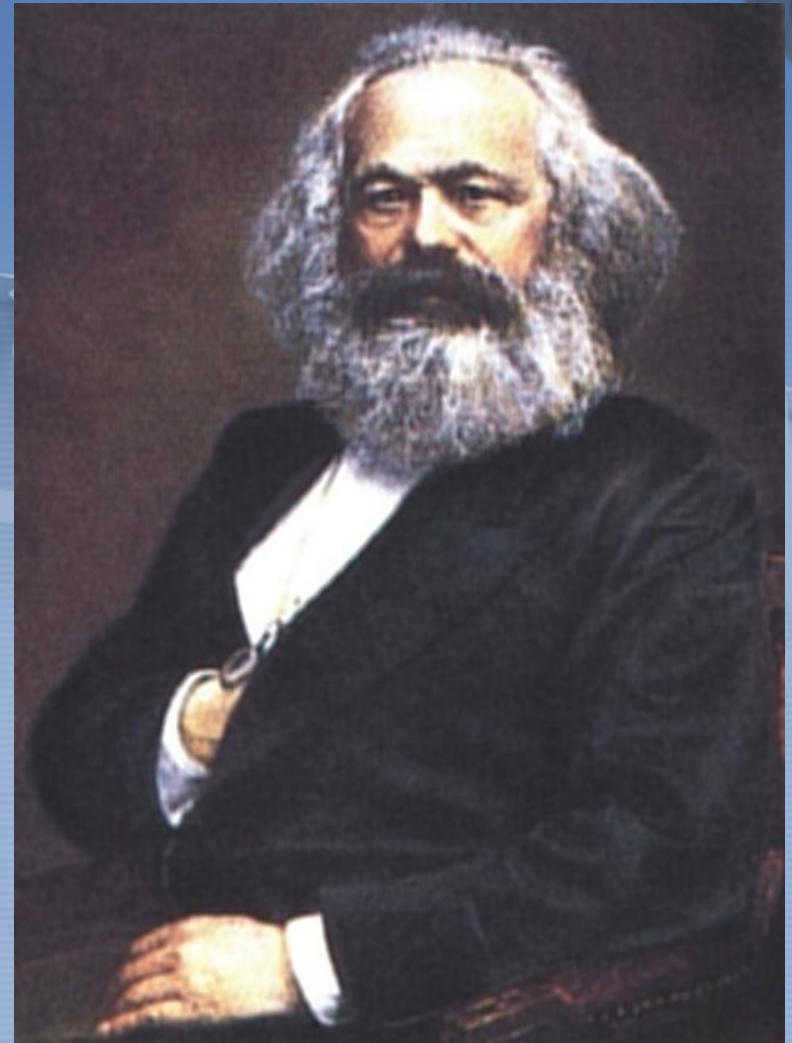
# Socialism

- Distribution of wealth and economic opportunity equally among people
- Society's control, through government, of all major decisions about production
- Public ownership of most land, factories, and other means of production
- Response to industrial revolution in the 19 century
- Democratic Socialism



# Communism

- Karl Marx
- The Communist Manifesto
- Two class system of bourgeoisie and proletariat would evolve into one class system through violent revolution
- All property held in common
- No need for government





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