

# Vocabulary

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*Study the vocabulary words and definitions below.*

- barter** ..... a system of exchange in which one type of good or service is traded for another type of good or service without the use of money
- capitalism** ..... an economic system based upon private property and free enterprise
- command economic system** ..... an economic system in which the government decides *what* goods or services to produce, *how* to produce them, and for *whom* to produce them
- command elements** ..... the new terminology for *command economic system*
- democracy** ..... government by the people
- economic elements** ..... rules, rights, and practices that govern consumers and producers
- economist** ..... a person who studies economics
- gross domestic product (GDP)** ... the total value of goods and services produced in one year within the borders of a nation by whoever produces them
- gross national product (GNP)** ..... the total value of goods and services produced in one year by a nation's residents no matter where they are located

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**market economic system** ..... an economic system in which the types and costs of goods and services are determined by consumers and producers

**mixed economic system** ..... an economic system in which elements of all three economic systems (traditional, market, and command) are present

**traditional economic system** ..... an economic system in which goods and services are exchanged or bartered