NAME _____ CLASS _____ DATE _____

Section 4: Guided Reading and Review

# Modern Economies

CHAPTER 2

## A. As You Read

As you read Section 4, fill in two supporting facts or details under each main idea by answering each question.

**Main Idea:** Government intervenes in market economies because some needs and wants of modern societies are hard to answer in the marketplace or may be answered more fairly for all members of society with government involvement.

1. What needs and wants are hard to answer? _____

2. What needs and wants are answered more fairly with government involvement?

**Main Idea:** Government intervention dominates in some mixed economies.

3. How does government intervene in North Korea's economy? _____

4. How is government intervention less extreme in China's economy? _____

**Main Idea:** The market system dominates in some mixed economies.

5. What country is one of the world's freest markets? _____

6. Why is it one of the freest? _____

## B. Reviewing Key Terms

Answer each of the following questions.

7. How does *free enterprise* differ from *laissez faire*? _____

8. Why is China said to have a *transition* economy? _____

9. What does it mean to *privatize* an industry? _____

10. Why do the world's national economies fall inside a *continuum*? _____

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