



## GUIDED READING ACTIVITY 18-1

# How Economic Systems Work



When reading economics material, you usually need to understand one idea before you can understand another. Take your time and make sure that you understand each idea or term before you continue reading.

**Directions:** Answer the questions below in the space provided. Use the information in your textbook to answer the questions.

**1. Contrasting** What is the difference between needs and wants?

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**2. Defining** What is economics?

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**3. Summarizing** What is the focus of macroeconomics?

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**4. Labeling** What type of economic system does the United States have?

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**5. Listing** What are the two main types of resources?

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**6. Explaining** When does scarcity occur?

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**7. Stating** Because of scarcity, what three economic choices must a society make?

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