

Government and Economics – Study Guide

Unitary – Central government has all or most of the power over laws and commands. Local authorities do not exist or have very little power.

Confederation – Local authorities have more power than the central government. The local authorities make laws and give orders.

Federal – Power is shared between central and local authorities. Both have power and both make laws.

Autocracy – one person has control of the government

Oligarchy – a few people have all the power of the government

Democracy – Rule of all, the people have the power

Dictator – Absolute leader, usually with power taken by force/military

Monarchy – Royal family has total control, power passes through family

Presidential Democracy – people elect legislature and executive (leader)

Parliamentary Democracy – people elect legislature, legislature chooses leader

Traditional Economy - ancestors determine what, how and for whom to produce; bartering

Command Economy – central authority determines what, how and for whom to produce

Market Economy – buyers and sellers determine what, how and for whom to produce

Mixed Economy – the markets determine most issues but government has laws and some control over resources.

Currency Exchange – ability to trade money, makes international trade possible

Factors of Economic Growth – Entrepreneurship, standard of living, literacy rate, natural resources, investing in human capital, investing in physical capital

Trade Barriers – Tarriffs (taxes), Quotas (limits), Embargo (no trade at all)