

Business Studies Gap fillers

Name: _____ Class: _____ Date _____

MARKET ECONOMY

In a (1) _____ consumers decide which (2) _____ they want and businesses provide them. Almost all the businesses in the market economy are (3) _____ owned. There is (4) _____ sovereignty. Wide varieties of goods are produced and there is freedom of choice. (5) _____ are controlled through the price mechanism. In other words, prices of goods and services are determined by their (6) _____ and (7) _____. Most of the factors of (8) _____ i.e. land, labour, capital are privately owned.

The main advantages of Market economy include- Encouragement to (9) _____ to come up with new ideas. Competition between businesses encourages greater (10) _____ and better utilisation of scarce (11) _____. On the other hand, if there is no profit businesses will not provide goods and services. (12) _____ can be created which might control the prices in the market.

consumer demand efficiency entrepreneurs goods and services market economy

Monopolies Prices privately production resources supply

Key

MARKET ECONOMY

In a market economy consumers decide which goods and services they want and businesses provide them. Almost all the businesses in the market economy are privately owned. There is consumer sovereignty. Wide varieties of goods are produced and there is freedom of choice. Prices are controlled through the price mechanism. In other words, prices of goods and services are determined by their demand and supply. Most of the factors of production i.e. land, labour, capital are privately owned.

The main advantages of Market economy include- Encouragement to entrepreneurs to come up with new ideas. Competition between businesses encourages greater efficiency and better utilisation of scarce resources. On the other hand, if there is no profit businesses will not provide goods and services. Monopolies can be created which might control the prices in the market.