

## Economic Understandings

SS7E5 The student will analyze different economic systems.

- Compare how traditional, command, and market economies answer the economic questions of (1) what to produce, (2) how to produce, and (3) for whom to produce.
- Explain how most countries have a mixed economy located on a continuum between pure market and pure command.
- Compare and contrast the economic systems in Israel, Saudi Arabia, and Turkey.

Essential Question: How do different economic systems work?

- Compare how traditional, command, and market economies answer the economic questions of (1) what to produce, (2) how to produce, and (3) for whom to produce.

	<b>What to produce?</b>	<b>How do produce it?</b>	<b>For whom it is produced?</b>
Market			
Command			
Traditional			

- Explain how most countries have a mixed economy located on a continuum between pure market and pure command.
- Compare and contrast the economic systems in Israel, Saudi Arabia, and Turkey.

	<b>Alike</b>	<b>Different</b>
Israel		
Saudi Arabia		
Turkey		

SS7E6 The student will explain how voluntary trade benefits buyers and sellers in Southwest Asia (Middle East).

- a. Explain how specialization encourages trade between countries.
- b. Compare and contrast different types of trade barriers, such as tariffs, quotas, and embargoes.
  - 1. Tariffs: Tax on imports.
  - 2. Quotas: Limiting number of imports to protect domestic products.
  - 3. Embargoes: Refusing to trade with a country
- c. Explain the primary function of the Organization of Petroleum Exporting Countries (OPEC). To control the production and price of oil.
- d. Explain why international trade requires a system for exchanging currencies between nations. Using currency makes it easier to trade.

SS7E7 The student will describe factors that influence economic growth and examine their presence or absence in Israel, Saudi Arabia, and Iran.

Essential Question: How do certain factors influence economic growth in Israel, Saudi Arabia, and Iran?

- a. Explain the relationship between investment in human capital (education and training) and gross domestic product (GDP).
- b. Explain the relationship between investment in capital (factories, machinery, and technology) and gross domestic product (GDP). \_
- c. Explain the role of oil in these countries' economies.

	<b>Human Capital</b>	<b>Capital</b>	<b>Influence of Oil</b>
Israel			
Saudi Arabia			
Iran			

d. Explain the role of an entrepreneur.

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