



# Economics

## Unit 1.5: The American Free Enterprise System

**U.S. FREE ENTERPRISE SYSTEM**

**Private Enterprise**  
**Competition**  
**Private Property**  
**Profit Motive**  
**Consumer Sovereignty**

**U.S. FREE ENTERPRISE SYSTEM**

I-Pod Nano (8 GB)

the effort of persons or firms to **attract business** by offering the **most favorable terms**

I'm going to be rich! My store, "The Single Sock", will have no competition!

**BEST BUY** \$134.99

**Target.** \$129.99

**WAL-MART** \$129.54

**amazon.com** \$129.54

### Essential Questions:

1. What is free enterprise?
2. What is the role of government in a free enterprise economy?

### Learning Objectives

1. Describe the tradition of free enterprise in the United States and the constitutional protections that underlie it.
2. Explain the basic principles of free enterprise system.
3. Define the roles of government, producers, and consumers in a free enterprise system.
4. Distinguish public goods from private goods.
5. Define market failure.
6. Evaluate government options for addressing market failure.

### Key Terms:

1. American free enterprise	7. negative externality	13. public disclosure laws
2. cash transfer	8. positive externality	14. public good
3. competition	9. poverty threshold	15. public interest
4. consumer sovereignty	10. private property rights	16. public sector
5. free-rider problem	11. private sector	17. safety net
6. market failure	12. profit motive	18. voluntary exchange
		19. welfare



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#### Calendar:

DAY		TOPIC	HW DUE
24-Sep	Wednesday	American free enterprise	Chapter 3 Section 1 Questions
25-Sep	Thursday	Economic Goals of US Government	Chapter 3 Section 2 Questions
26-Sep	Friday	Market Failure and Public Goods	Chapter 3 Section 3 Questions
29-Sep	Monday	Role of US Government	Chapter 3 Section 4 Questions
30-Sep	Tuesday	Unit II Assessment	Be prepared for Unit II Test
8-Oct	Wednesday	Intro to Demand	None
9-Oct	Thursday	Introduction to Perfect Markets	<ul style="list-style-type: none"><li>• Perfect Markets and the World of Truth</li><li>• Journal Reflection</li></ul>
10-Oct	Friday	PPT presentations	PPT on assigned country
11-Oct	Saturday	PPT presentations	None