

# GUIDED READING Activity 20-3

For use with textbook pages 558-561

## **A** PPLYING THE ECONOMIC WAY OF THINKING

### RECALLING THE FACTS

**Directions:** Use the information in your textbook to answer the questions. Use another sheet of paper if necessary.

1. What are the five steps to economic decision making as recommended by the National Council on Economic Education?
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_
  - d. \_\_\_\_\_
  - e. \_\_\_\_\_
2. What is cost-benefit analysis? \_\_\_\_\_  
\_\_\_\_\_
3. What types of costs does any economic decision involve? \_\_\_\_\_  
\_\_\_\_\_
4. What was the capitalism of the 1930s like? \_\_\_\_\_  
\_\_\_\_\_
5. In what ways has that early capitalism been modified? \_\_\_\_\_  
\_\_\_\_\_
6. What has happened to these competing economic systems?
  - a. communism in the Soviet Union: \_\_\_\_\_  
\_\_\_\_\_
  - b. socialism: \_\_\_\_\_  
\_\_\_\_\_
7. What do we know about capitalism that encourages us to be optimistic about its future?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_