

Capitalism vs. Socialism vs. Communism

Complete the following worksheet using the definitions below. Label each statement according to the definitions.

Socialism: an economic system in which the government owns or controls many of the means of the production and directly provides for many of the people's needs. A socialist system does not necessarily have to be democratic.

Communism: economic and political system in which factors of production are collectively owned and directed by the state; theoretically classless society in which everyone works for the common good and the need for personal advancement is secondary to societal advancement. Theoretically it is a "perfect democracy" but in historical practice a dictatorship.

Capitalism: an economic system where the private citizens own the factors of production. Based on free enterprise, there is economic freedom, voluntary exchange, private property, and profit motives are characteristics of capitalistic systems. Capitalistic systems tend to have political freedom in varying degrees.

- (1) A person starts up a business. _____
- (2) No money exists. _____
- (3) The government taxes over fifty percent of your income. _____
- (4) Health care is absolutely free; it is funded by taxes and the state. _____
- (5) Health care is absolutely free; it is provided for the people by the people. _____
- (6) People own their houses, cars, stereos, and other personal items. _____
- (7) The people expect to be compensated during times of unemployment. _____
- (8) No one is ever unemployed. _____
- (9) Rich people pay more taxes than poor people do. _____
- (10) This society bases its democracy upon the lack of classes. _____
- (11) There is a large amount of government regulation in industry. _____
- (12) The government is responsible for maintenance of the economy. _____
- (13) The government has created a large welfare state. _____
- (14) There is no voting in this society. _____
- (15) Societal advancement is based on accumulation of wealth. _____