

ECONOMIC SYSTEMS

PURE CAPITALISM

LAISSEZ FAIRE

THE COMMAND ECONOMY

COMMUNISM

MIXED SYSTEMS

AUTHORITARIAN CAPITALISM

MARKET SOCIALISM

ECONOMIC SYSTEMS

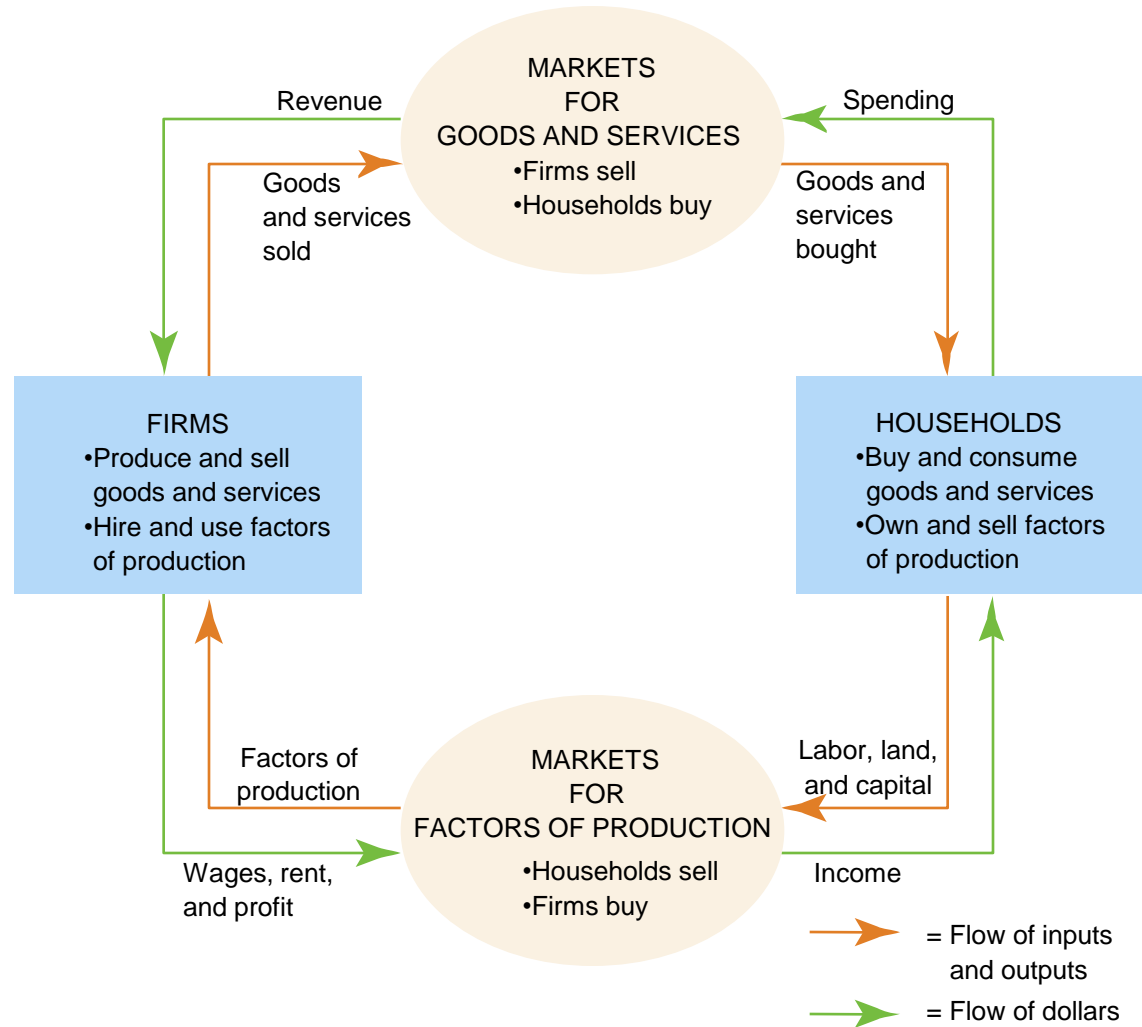
TRADITIONAL ECONOMIES

*PRODUCTION METHODS, EXCHANGE,
AND INCOME DISTRIBUTION ARE
SANCTIONED BY CUSTOM.*



- The *circular-flow diagram* is a visual model of the economy that shows how dollars flow through markets among households and firms.

Figure 1 The Circular Flow



Mixed System

The Circular Flow Revisited

