Economic Systems

Economic System:

An economic system is a system of production, resource allocation and distribution of goods & services within a society or country.

Basic Types of Economic System:

1. Planned / command Economy (communism, Socialism)
2. Market Economy / Capitalist Economy / Free market (Laissez Faire Politics, Liberal/Social Democracy)
3. Mixed Economy (Market socialism)

Planned / Command Economy:

1. An economy in which the government makes all important decisions about production & distribution.
2. Output is equally distributed.
3. Discourages innovation & ignores consumer preferences.

(Govt. সবকিছু fix করে দেয়। অর্থাৎ production কতটুকু করবে or ঠিক করে এবং সেটা society তে equally distribute করে)