

Q2

Economic System:-

An Economic System or economic order is a System of production, resources allocation and distribution of goods and services within a society or a given geographic area.

It includes the combination of the various institutions, agencies, entities, decision making, processes and patterns of consumption that comprise the economic structure of a given community.

All economic systems have three basic questions to ask, what to produce, how to produce and in what quantities and who receives the output of production.

Main types:-

- ① Capitalism
- ② Mixed Economy
- ③ Socialist Economy

These all focus on the production private & public sectors and co-operative sectors in mixed economy.