# Economics Unit 2 – Weaknesses of different Economic Systems

### Aim:

To better understand why most countries don’t use communism (because it sounds kind of fair)

### Activities:

<https://fee.org/articles/why-communism-failed/>

Free markets set prices at a level where the correct amount of things are produced.

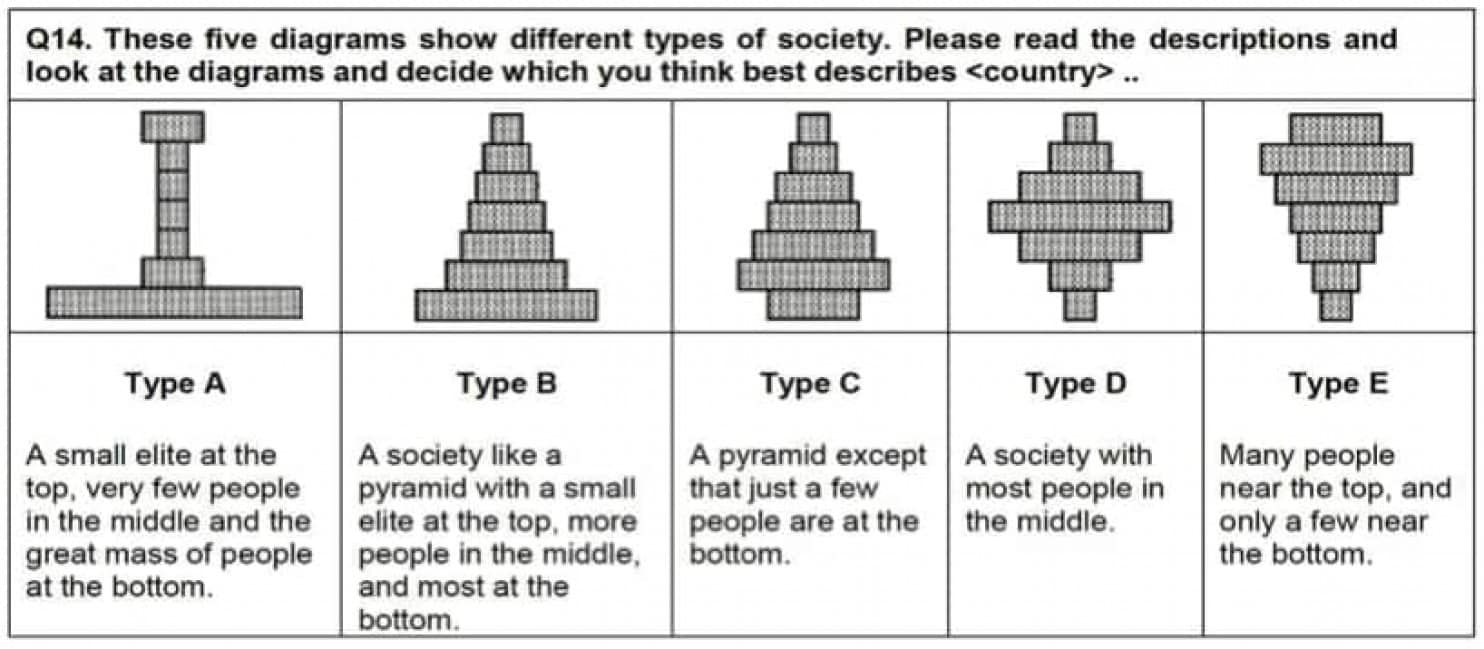
### Aim:

To know why the free market isn’t allowed to be completely free (in most/all modern-day countries)

### Activities:

“Market Failures”

Inequality



Which of these do you think your country looks like?

Which do you think would be the ideal distribution of people?

Income Scroller

<https://alicefeng.github.io/income-scroller/>

Wealth inequality in the USA:

“This guy has more green than…”

<https://www.youtube.com/watch?v=QPKKQnijnsM>

Gini Coefficient

<https://www.ft.com/content/f55d819c-a06d-11e8-85da-eeb7a9ce36e4>

Inflation

Light bulbs: <https://www.bbc.co.uk/programmes/p04knm03>

Condoms: <https://www.bbc.co.uk/programmes/b0bfwvz7>

Externalities / Free Goods

Negative Examples: Air pollution, SPAM, Passive smoking, Traffic congestion.

Positive Examples: Beekeeping, public transport, vaccination, education, street lighting, electric vehicles

Monopoly

What causes monopoly?

High barriers to entry

Economies of scale (natural monopoly): Utilities, Electricity

Intellectual property.

**Knowledge organiser:**

Market Failure

Inequality

Income

Wealth

Gini Coefficient

Inflation

RPI / CPI

Externalities