**Name: Date: Period:**

**European Government and Economics Essential Questions**

1. **What is the purpose of the European Union?** (3 Points) (Textbook – page 324 to 329)

The purpose of the European Union is for its members to work together for advantages that would be out of reach if it were working alone. The European Union also helps its member nations solve common problems. The European Union also strengthens the economic , political , and defensive ties of its member nations. Another goal of the European Union is to bring peace to a continent that has a long history of conflict .

1. **How do government systems distribute power?** (6 Points) (Government Distribution Chart)

Government systems distribute power in 3 ways: unitary , confederation , and

 federal governments. In a unitary government, the central government has all the power. The central government can give power to lower levels, but that power can be taken away at any time. In a confederation , a group of states or communities come together to support each other and to work on common problems. The European Union is an example of a confederation. In a federal government, power is divided between the central government and lower levels. Germany and the United States are examples of federal governments.

1. **How do governments determine citizen participation?** (6 Points)

(Government of Distribution Chart)

Governments determine citizen participation in three ways: autocratic ,

 oligarchic , and democratic . In an autocratic government, there is one ruler who makes all the decisions . In an oligarchic government, a small group of

 people govern. In a democratic government, people have most of the

 local power. Citizen are the ones that control the legislature .

1. **Compare and contrast the two predominant forms of democratic governments: Parliamentary and Presidential.** (4 Points) (Venn Diagram Handout)

 In a parliamentary democracy, the citizens vote for the legislature only. The

 prime minister is voted on by the legislature. The Prime Minister can dissolve the legislature at any time. Members of Parliament can vote to new a new Prime Minister.
 In a presidential democracy, the people vote for the president. The legislature and president are separate from one another. In a presidential democracy, the

 legislature is the law making body. Both forms of democracy allow citizens to elect the lawmakers. Also, the leader heads the military and runs the government .

1. **Explain the United Kingdom’s, Germany, and Russia’s structure of government, role of their citizens, and personal freedoms.** (6 Points)(European Government Systems)

The United Kingdom has a parliamentary democracy and a constitutional monarchy. There is a prime minister who is the head of the government and a queen who is the head of state. Citizens are allowed to vote members of Parliament and have many personal freedoms.
In Germany , there is a federal government and a parliamentary

 democracy . The chancellor is the head of the government and the President is the head of state. Citizens vote to elect members of Parliament and have many personal freedoms .

In Russia , there is a federal government. The people elect the

 presdient who is the head of state. The president appoints the prime minister . Russia’s constitution guarantees human and civil rights for citizens.

1. **Explain how the four types of economies answer the questions of what to produce, how to produce and for whom to produce?** (8 Points)

In a traditional economy, customs and habits of the past answer the three basic economic

questions of what to produce, how to produce it, and for whom to produce. In a market economy,

 supply and demandanswer the basic economic questions of what to produce, how to produce

 it, and for whom to produce. In a command economy, government planning groups makes

 the basic economic decisions of what to produce, how to produce it, and for whom to produce. A mixed

economy has characteristics of a market and a command economy. Most countries have

a mixed economy but are closer to one type of economic system than another.

1. **Compare and contrast United Kingdom’s, Germany’s and Russia’s economic systems.** (11 Points)(Comparing Economies of European Countries)

**United Kingdom and Germany:**

* Very easy to start a business; only takes a few days
* Private citizens and

 coroporations own businesses and farms.

* laws and a good court system protects people’s property rights

**Russia and Germany:**

* governments and citizens determine prices
* Private citizens , corporations , and

 governments determine the three basic economic questions

**Russia:**

* Difficult to start a business
* Government owns large businesses

**United Kingdom, Russia and Germany:**

* Private citizens and

 corporations can make the three basic economic decisions

* Citizens can own businesses

**Germany:**

* Private citizens and corporations determine the three basic economic questions with some

 government

regulations in agriculture, energy, and telecommunications.

**United Kingdom:**

* Prices are based on and
1. **How do trade barriers hinder (deter) voluntary trade from occurring between countries?** (8 Points)

Countries limit trade by creating trade barriers . There are many types of trade barriers, like

 embargo , quota , and tariffs . An embargo is a

 government order to stop trade completely. A quota is a limit placed on the number of

 imports. A tariff is a tax on imports.

1. **What is the relationship between human capital, physical capital, natural resources, and Gross Domestic Product?** (8 Points)

Human capital , physical capital , and natural resources all help determine a

country’s gross domestic product . Human is education, training, skills, and health of the workers in a business or country. The higher the human capital is the higher the gross domestic

product will be. Physical capital is the investment of factories, machines, technologies, buildings,

and property needed by businesses to operate. The more a company invests in physical capital, the higher the

profit will be, thus the higher the gross domestic product will be. Natural resources are considered “gifts of nature.” Countries are able to trade their natural resources which allows for a high gross domestic product.

1. **Describe the role of the entrepreneurship.** (5 Points)

An entrepreneur is a person who provides money and time to start his or her own business.

Entrepreneurs play an important role in the economy of a country. As they work to make a profitable

business, entrepreneurs can hire more workers thus providing more jobs. The taxes that come

from the business help the government. Entrepreneurs are also able to trade their goods and

services which helps a country’s economy.