



Principles of The Free Market

Specialization
Competition
Efficiency
Freedom
Problems of ...

Market Economy: Explained

- A free market is a self-regulating economic system directed by individuals acting in their own-self interest.



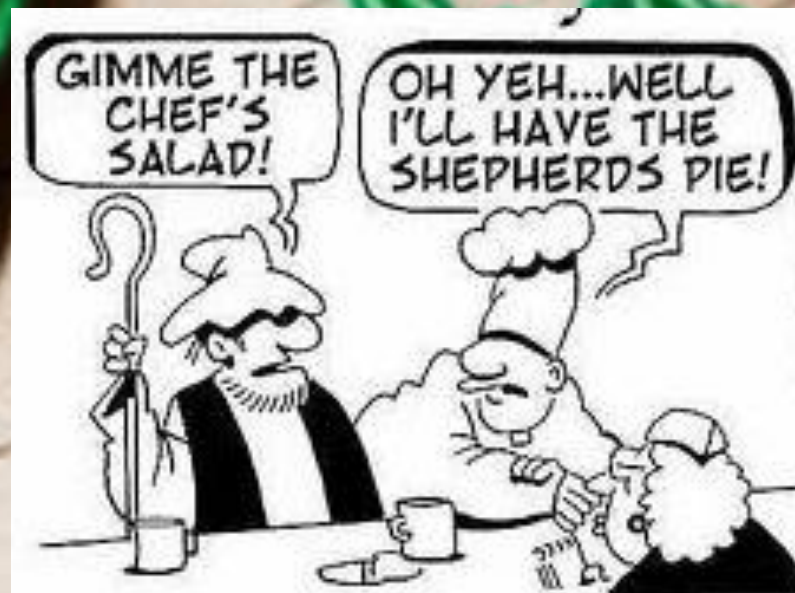
Private Ownership

- Free market is run by individuals
 - They own the land, labor, and capital
- Works best when there is no government regulations to tell the people what to do.



Free Market Economic Efficiency

- People are only going to make what they can sell
 - Make what consumers want, when they want it, and at prices people will pay.



Why do we specialize?

Do you have time to:

Make this –



Build this –



Grow this-



Importance of Self Interest

- Helps drive Market Economy
 - People produce and sell things out of the need to survive



Competition



I will sell my
skateboard for
\$5.00

I will sell the
same
skateboard for
\$4.50.



Who are you going to buy from?

Importance of Competition

- Forces producers to provide better goods and services and at cheaper prices than their competitors
 - Spurs innovation



Innovation

- People are always trying to find new ways to get money
 - This is how we get better computer games, books, etc.



Free Market Economic Freedom

I can choose what to make, what to buy, where to work.



Problem

- *Caveat Emptor*
 - Let the buyer beware!



Problem

- There is not a global free market system

