

# Session 5 – Study Guide

## Overview of America

### Political Systems

1. When exiting the Constitutional Convention, Ben Franklin was asked by a woman as to what kind of government they had created. He said, “A \_\_\_\_\_ Ma’am, if you can keep it.”
2. The contrast in Governmental Political Systems is \_\_\_\_\_ government control on the far left and \_\_\_\_\_ government control on the far right.
3. The five basic forms of government are:
  - a. \_\_\_\_\_ - Ruled by a Single Individual
  - b. \_\_\_\_\_ - Rule by a small group
  - c. \_\_\_\_\_ - Rule by the majority
  - d. \_\_\_\_\_ - Rule by Law
  - e. \_\_\_\_\_ - No rule
4. The proper amount of government makes everyone \_\_\_\_\_.
5. The proper role of government is to \_\_\_\_\_ the rights of the people.
6. The word \_\_\_\_\_ does not appear in the Declaration of Independence or the United States Constitution.
7. The essence of freedom is the proper limitation of government. When government power \_\_\_\_\_, the people’s freedom \_\_\_\_\_.

**Pastor Paul’s note:** America is a republic and not a democracy. We are not ruled by a majority. We are ruled by the Law. Our representatives are elected democratically, but when taking office, they swear to uphold the Constitution (Rule of Law). The rights of a citizen can be trampled on by the majority, just as easily as by a monarch. Consider the trial of Jesus. Barabbas the murderer was set free and Jesus was crucified by a democratic vote of the people. America is a republic governed by the rule of law.

# Economic Systems

8. \_\_\_\_\_ is the means of production.
9. Capital includes \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ for investment.
10. In the truest sense of the word capital, all economic systems are capitalistic systems. The difference is \_\_\_\_\_ the capital.
11. The \_\_\_\_\_ owns the capital in communist countries and consequently are state controlled monopolistic systems. The \_\_\_\_\_ own the capital in competitive free market economies.
12. The \_\_\_\_\_ is a self-regulating system where all parties are completely free to transact with one another. The government only steps in to punish those guilty of force, fraud or injury.
13. Private property means ownership of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and the ability to \_\_\_\_\_.
14. \_\_\_\_\_ of property is key. Ownership of property and freedom go hand in hand. There is an old saying, "He who owns the tools makes the rules."
15. In a free market, Capital is \_\_\_\_\_ privately and \_\_\_\_\_ privately.
16. Competition results in \_\_\_\_\_ and always has.
17. Economic systems range from \_\_\_\_\_ government control on the left and a \_\_\_\_\_ market on the right.
18. In the last century, there have been basically four forms of state controlled economic systems.
  - a. \_\_\_\_\_ - The government doesn't own businesses on paper, but does control them through various regulatory agencies.
  - b. \_\_\_\_\_ - In addition to controlling businesses through regulatory agencies, the government nationalizes (owns) some of the major corporations.
  - c. \_\_\_\_\_ - In addition to point a & b, the government owns major industries like transportation, communication and utilities.
  - d. \_\_\_\_\_ - All capital is owned and controlled by the state. People are even considered capital.

## Answers

1. Republic
2. Total, Zero
3. Five Types of Governments
  - a. Monarchy
  - b. Oligarchy
  - c. Democracy
  - d. Republic
  - e. Anarchy
4. Freer
5. protect
6. democracy
7. grows, recedes
8. Capital
9. Tools, machinery, property, cash
10. Who owns
11. State, people
12. Free market
13. Title, Control, Use, ability to dispose
14. Control
15. Owned, controlled
16. Excellence
17. Complete, free
18. State Controlled Economic Systems
  - a. Fascism
  - b. Nazism
  - c. Socialism
  - d. Communism