

***Economics: A Christian Worldview – Phony Choice or Reality?***  
**Capitalism Myth or Reality?**

**(TEACHER INSTRUCTIONS/KEY)**

**Purpose**

Students practice identifying phony choices and myths about “capitalism” (voluntary exchange).

**Time**

10-12 minutes

**Instructions**

1. Print this page for yourself (no student handout).
2. Go around the room or ask for volunteers for the below questions; answer key is below each question.

**“Phony Choice or Reality?” – Read these 10 statements; students answer either “Phony” or “Reality.”**

1. People profit by providing goods and services others want. **(REALITY)**
2. Workers are permanently stuck working for one capitalist forever. **(PHONY)**
3. Government planners must decide what everyone produces and buys. **(PHONY)**
4. People can change jobs, start businesses, or build wealth. **(REALITY)**
5. Millions of individuals make their own buying and selling decisions. **(REALITY)**
6. Only rich factory owners control economic outcomes. **(PHONY)**
7. Businesses succeed by pleasing customers. **(REALITY)**
8. Workers can quit jobs they dislike. **(REALITY)**
9. A small group of planners knows what everyone should produce. **(PHONY)**
10. Buyers and sellers freely choose whom to trade with. **(REALITY)**

**“Myth or Reality?” – Read these 10 statements; students answer either “Myth” or “Reality.”**

1. Businesses profit only by making others poorer. **(MYTH)**
2. Business competition often leads to better products, lower prices, and improved service. **(REALITY)**
3. In voluntary exchange, people are free to choose where they work and what they buy. **(REALITY)**
4. Government planners can know the wants and needs of millions of individuals. **(MYTH)**
5. Businesses usually earn profits by producing goods or services that many want to buy. **(REALITY)**
6. Individuals in voluntary exchange can change jobs, start businesses, or increase their wealth. **(REALITY)**
7. A voluntary-exchange economy forces people to buy products from certain companies. **(MYTH)**
8. Businesses that fail to satisfy customers may lose money or go out of business. **(REALITY)**
9. In a free economy, people can become wealthy by serving the needs and wants of others. **(REALITY)**
10. Profit in voluntary exchange often comes from government forcing people to buy products. **(MYTH)**