

Vocabulary – Chapter 2

democracy	A system of government in which citizens exercise supreme power, acting either directly on their own or through elected representatives.
monarchy	A system of government in which a single ruler exercises supreme power based on heredity or divine right. In a monarchy, the right to rule passes from one generation of the ruling family to the next.
dictatorship	A system of government in which a single person or group exercises supreme power by controlling the military and police.
market economy	An economic system that relies mainly on markets to determine what goods and services to produce and how to produce them.
traditional economy	An economic system in which decisions about what to produce and how are made on the basis of customs, beliefs, and tradition.
republic	A nation in which supreme power rests with the citizens and is exercised by their elected representatives.
parliament	A legislative assembly in which elected representatives debate and vote on proposed laws. The name comes from the French term <i>parler</i> , meaning "to talk."
command economy	An economic system that relies mainly on the central government to determine what goods and services to produce and how to produce them.