

# AP<sup>®</sup> COMPARATIVE GOVERNMENT AND POLITICS

## 2007 SCORING GUIDELINES

### Question 4

#### 3 points

One point is earned for describing a characteristic of a command economy. One point is earned for describing a characteristic of a market economy. One point is earned for contrasting these two characteristics.

Definition of a command economy may include:

- Central planning.
- Central power makes all major economic decisions.
- Fixed- or government-set pricing, distribution, production, control over employment and wages.
- Highly restricted property rights, if any.
- State owns most economic resources.
- Use of production quotas; use of plans (3 year, 5 year, 10 year, etc.).

The statement “no private property” does not earn a point.

Definition of a market economy may include:

- Laws of supply and demand determine allocation of resources.
- Private property.
- Income/wage inequality.
- Unemployment.
- Focus on profits.
- Freedom to choose occupations, jobs; freedom to make economic choices in general.
- Emphasis on competition (workers, between businesses).
- Market economies are susceptible to boom and bust.

Statement of contrast:

- MUST explicitly show contrast of the defining characteristics, such as outcomes, for this point.
- MUST go above and beyond a one-word connector (like “rather”) and add some new information.

No point is earned for “double dipping” (i.e., stating what a command economy doesn’t do, or saying there is more economic freedom in a market economy in two places, etc.)

No point is earned for stating that a command economy is a defining characteristic of a communist country and a market economy is a defining characteristic of a democracy.

To earn a point, the response must say who or what dictates prices.

A score of zero (0) is earned for an attempted answer that earns no points.

A score of dash (—) is earned for a blank or off-task answer.

In a command economy, there is a central planning committee ~~that~~ that decides the magnitude of production and ~~artificially~~ artificially sets prices. A market economy, conversely, abides for the most part by the market: ~~it is~~ it is largely free from governmental interference and is regulated by supply and demand. The Soviet Union had a command economy ~~in~~ in which the government determined the rate of production and the prices for every item produced. One year, they forgot to make tooth brushes, so there were no toothbrushes. A market economy has privatized industries ~~that~~ whose aim is to turn a profit. Therefore, they choose their own rate of production and determine their prices based on cost and demand.

4.

Write in the box the number of the question you are answering on this page as it is designated in the exam.

4B

In a command economy, the state sets prices and interest rates. By contrast, in a market economy, prices and interest rates are set by market forces such as supply and demand.

4

Write in the box the number of the question you are answering on this page as it is designated in the exam.

4C

One defining characteristic of a command economy is that a certain group of people decides the supply and demand of goods. Therefore, they also determine the prices whereas in a market economy, prices depend on the supply and demand of consumers that is unregulated. Command economies can be valuable in the fact that surpluses may be prevented, therefore keeping prices at a good level. A market economy is vital in the fact that it always flows according to consumers needs and competitive prices prevent monopolies.

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## 2007 SCORING COMMENTARY

### Question 4

#### Overview

The intent of this question was to have students explain a defining characteristic for a command economy and one for a market economy. Additionally, they were asked to contrast the defining characteristics. Because students often confuse democracy with capitalism, the question's intent was to allow them to demonstrate that they understood simple aspects of political economy, as separate from ideology.

#### Sample: 4A

##### Score: 3

The response earned 1 point for correctly identifying a defining characteristic of a command economy: "there is a central planning committee that decides the magnitude of production and artificially sets prices."

The response earned 1 point for a correct discussion of a defining characteristic of a market economy as one that "abides for the most part by the market: it is largely free from governmental interference and is regulated by supply and demand."

The response earned 1 point for providing an accurate description of the production problems that can occur in a command economy, using an example from the Soviet Union: "they forgot to make tooth brushes, so there were no toothbrushes." The student contrasts this example by explaining that "[a] market economy has privatized industries whose aim is to turn a profit. Therefore, they choose their own rate of production and determine their prices based on cost and demand."

#### Sample: 4B

##### Score: 2

The response earned 1 point for correctly describing a defining characteristic of a command economy: "the state sets prices."

The response earned 1 point for accurately identifying a defining characteristic of a market economy: "in a market economy, prices and interest rates are set by market forces such as supply and demand."

No contrast is given, so no point was earned.

#### Sample: 4C

##### Score: 1

The response did not earn a point for stating that "a certain group of people decides supply and demand of goods" in a command economy because it is not clear that the "certain group" is the government.

The response earned 1 point for stating that "in a market economy, prices depend on the supply and demand of consumers," because this is an accurate defining characteristic of a market economy.

No defining characteristic is given for a command economy, so a contrast cannot be made between the two defining characteristics; no point was earned.