**Chapter 2, Section 2 Guided Questions**

1. Why do markets exist?
2. Why is specialization necessary? What does it do for the economy? How?
3. For a free market economy, describe how the goals or values help to define it.
4. Use the figure 2.2 on pg. 31 to answer the following questions:
   1. What does the figure as a whole represent?
   2. What does the upper half represent?
   3. What does the lower line of monetary flow show?
5. What is the product market according to your textbook?
6. Who was the free market philosopher that published *The Wealth of Nations*?
7. What is the motivating force behind the free market?
8. What incentive motivates a manufacturer to sell a product?
9. What is the struggle among producers for the consumer’s business called?
10. List and briefly explain the advantages of a free market, according to the text.