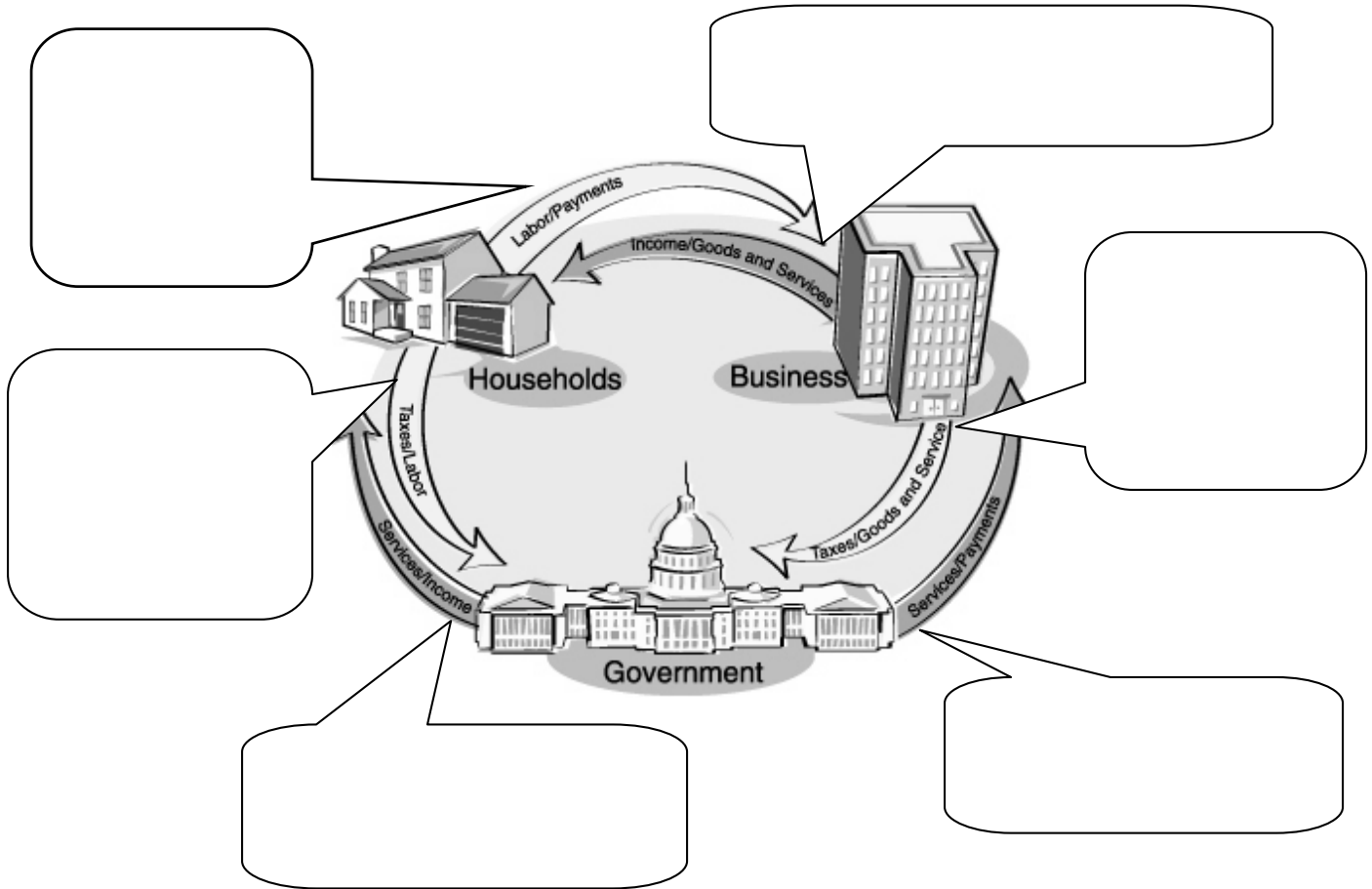


## Economic (Circular) Flow

Economists use the circular flow model to explain the interaction among households, business, and the government. Study the circular flow model and answer the questions in the spaces provided.



1. What do businesses provide government? \_\_\_\_\_
2. What do businesses receive from government? \_\_\_\_\_
3. What do households provide businesses? \_\_\_\_\_
4. What do businesses provide households? \_\_\_\_\_

Write business, government, or household on each line.

- |       |   |
|-------|---|
| _____ | 1. Earns income and purchases goods and services. |
| _____ | 2. Provides services and collects taxes.          |
| _____ | 3. Collects taxes and uses labor.                 |
| _____ | 4. Supplies labor and makes payments.             |
| _____ | 5. Pays taxes and provides goods and services     |