

	Mercantilism (1500s-1700s)	Capitalism (mid 1700s-present)
What is the main goal?	Profit	Profit
How should we attain wealth?	Wealth Accumulation : Mercantilist believe there is a <i>fixed</i> amount of wealth, therefore mercantilist will increase their overseas colonies and accumulate as much gold and silver as possible .	Wealth Creation : Capitalist believe that wealth can <i>grow</i> , therefore capitalist competition and innovation will increase efficiency and grow wealth
How are prices set?	Monopoly : There is no competition. Instead, there is complete control of a product or business by one person or group who set the prices. In mercantalism, industries are protected by the government.	Competition : Producers compete for consumer money by lowering their prices or introducing new products.
How are products traded?	Favorable Balance of Trade : Mercantilists export more than import and heavily tax the import of foreign goods	Free Trade : Capitalists support free trade with anyone and do not heavily tax the import of foreign goods.
How involved is the government in the economy?	Heavy involved	Not involved
What are the individual freedoms in this system?	Individuals do not have freedom to make economic decisions. Instead, there is heavy regulation.	Individuals have freedom and opportunity to create wealth by making choices based on self-interest .