

Distinguish, differentiate, compare and explain what is the Difference between Planned and Market Economy. Comparison and Differences.

## **Difference between Planned and Market Economy**

1. A planned economy is that economy in which course of economic activities is decided by some central Authority or by the government. The planned economy is that economy in which economic activities are fully dependent on the role of market forces.
2. In a Planned economy system, producers are not free to produce. Only a central authority decides the full variety of goods and services that people can consume. In [Market](#) economy system, producers are free to produce the highly demanded goods in order to maximize their profits.
3. In Planned economy, social welfare is the prime consideration. In Market economy, self-interest is the prime consideration.

Steady Run