

Economics

State Standard Number	State Standard Area/Description	Unit Name	Course Topic Description
ECON	Economics		
ECON-1	The student will demonstrate an understanding of how scarcity and choice impact the economic activity of individuals, families, communities, and nations.		
ECON-1.1	Illustrate the relationship between scarcity-limited resources and unlimited human wants-and the economic choices made by individuals, families, communities, and nations, including how families must budget their income and expenses, how people use psychological and intellectual resources to deal with scarcity, and how local political entities as well as nationstates use scarce resources to satisfy human wants.	Scarcity	Supply
ECON-1.2	Explain the concept of opportunity costs and how individuals, families, communities, and nations make economic decisions on that basis, including analyzing marginal costs and marginal benefits and assessing how their choices may result in trade-offs.	Macro Concepts	Trade-off
		Marginal Decisions	Cost
ECON-1.3	Compare the four key factors of productionland, labor, capital, and entrepreneurshipand explain how they are used, including the specialization and division of labor that permits efficient use of scarce resources.		
ECON-2	The student will demonstrate an understanding of markets and the role of supply and demand in determining price and resource allocation.		
ECON-2.1	Explain the law of supply and demand, including the relationships of critical determinants (e.g., consumer income, tastes, and preferences; technology; the price of inputs) and the effects of change on equilibrium, price, and quantity.	Scarcity	Demand
		Gain from Trade	Market Price Risk
ECON-2.2	Explain the nature and role of competition in a market economy, including the determination of market price through competition among buyers and sellers and the conditions that make industries more or less competitive, such as the effect of domestic and international competition and the quality, quantity, and price of products.	Gain from Trade	Market Price Risk
ECON-2.3	Explain economic incentives that lead to	Scarcity	Demand

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	the efficient use of resources, including monetary and nonmonetary incentives, the ways in which people change their behavior in response to incentives, the relationship of incentives to the laws of supply and demand, and the role of private property as an incentive in conserving and improving scarce resources.	Marginal Decisions	Economic incentives
		Role of Incentives	Government Incentives
			The boycott
ECON-2.4	Explain the effect of shortages and surpluses in a market economy, including the effect of price controls (ceilings and floors) in causing shortages or surpluses, changes in the price of products as a result of surplus or shortage, and market mechanisms for eliminating shortages and surpluses and achieving market equilibrium.	Gain from Trade	Market Price Risk
ECON-3	The student will demonstrate an understanding of the sources of income and growth in a free-enterprise economy.		
ECON-3.1	Compare personal income distribution and functional income distribution, including how distribution of income affects public policy		
ECON-3.2	Explain the role of entrepreneurs in a market economy, including the costs and benefits of being an entrepreneur, the expectation of profit as the incentive for entrepreneurs to accept business risks, and the effect of changes in taxation and government regulation on entrepreneurial decisions.	Gain from Trade	Market Price Risk
ECON-3.3	Explain the causes and effects of economic growth, including the relationship between investment in human resources and in real capital, the alleviation of poverty, the increase in standards of living, and the creation of new employment opportunities.	Specialization and Trade	Poverty
ECON-4	The student will demonstrate an understanding of personal economic decision making to maximize the net benefits of personal income.		
ECON-4.1	Summarize types of personal economic decisions and choices that individuals make, including determining how to budget money; establishing short- and long-term financial goals and plans related to income, saving, and spending; utilizing loans and credit cards; and considering investment options.	Marginal Decisions	Marginal benefits

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ECON-4.2	Explain influences on personal economic decision making and choices, including the effect of education, career choices, and family obligations on future income; the influence of advertising on consumer choices; the risks and benefits involved in short- and long-term saving and investment strategies; and the effect of taxation and interest rates on household consumption and savings.	Marginal Decisions	Marginal benefits
ECON-5	The student will demonstrate an understanding of the various economic institutions of a market economy.		
ECON-5.1	Compare the significant characteristics of a market economy with those of traditional and command economies, including differences in the roles of the government, individual firms, and households in decision making; types of economic institutions; the extent of consumer sovereignty/choice; and the role of private property rights, competition, and the profit motive.	Allocation of Goods and Services	Market
ECON-5.2	Analyze the roles of and relationships among economic institutions in a market economy, including the banking system and its interaction with business firms and consumers, the economic circular flow model, the function of financial and securities markets, and the impact of labor unions on the American economy.		
ECON-6	The student will demonstrate an understanding of the roles that federal, state, and local governments play in the operation of markets in the United States.		
ECON-6.1	Compare the various functions and roles of the government in the United States economy, including providing public goods, defining and enforcing property rights, correcting externalities and regulating markets, maintaining and promoting competition in the market, protecting consumers' rights, and redistributing income.	Allocation of Goods and Services	Government
ECON-6.2	Summarize major sources of government revenue, including taxation at the federal, state, and local levels and tax revenues from personal income and payroll taxes, sales taxes, and property taxes.	National Budget	NCEE National Budget Simulation
ECON-7	The student will demonstrate an understanding of the national economy and economic policies in the United States.		

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ECON-7.1	Compare measures of economic health, including the gross domestic product, consumer price indexes, personal income, disposable income, rates of inflation and deflation, and unemployment rates.	Specialization and Trade	Growth
		Interdependence	Defined
		The CPI	Define CPI
			Inflation on the economy.
ECON-7.2	Explain the role of the money supply in a free-market economy, including various forms of the money supply in the United States and the effect of the banking system on the money supply.	Allocation of Goods and Services	Market
			Predicting the economy
ECON-7.3	Explain the purposes and effects of fiscal and monetary policies, including the structure and function of the Federal Reserve System and policies on unemployment, inflation, and economic growth	The CPI	Inflation on the economy.
ECON-7.4	Explain the types of goods and services that are funded with government revenues, including national defense, road construction and repair, public safety, health care, payments on the national debt, and education.	National Budget	NCEE National Budget Simulation
ECON-7.5	Contrast the costs and benefits of the American government's economic policies, including how policies designed to reduce unemployment may increase inflation and vice versa and how investment in factories, machinery, new technology, health education, and occupational training can raise standards of living.	The CPI	Inflation on the economy.
ECON-8	The student will demonstrate an understanding of the principles of trade and economic development.		
ECON-8.1	Explain the basic principles of international trade, including the worldwide distribution of resources, the concept of absolute and comparative advantages that leads to specialization and trade, and the concepts of balance of trade and balance of payments that are used to measure international trade.	Gain from Trade	Limited liquidity
		Specialization and Trade	Globalization
			Store of value
ECON-8.2	Summarize the outcomes of global trade, including gains made by individuals and nations through trade, increases in consumer choice and standard of living, and gains in production efficiency.	Interdependence	Model "draught" project
		Gain from Trade	Limited liquidity
		Specialization and Trade	Globalization
			Store of value



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ECON-8.3	Compare the effects of unrestricted and restricted trade-including those of tariffs and quotas-on the economic and social interests of a nation-state.	Specialization and Trade	Store of value
ECON-8.4	Explain the basic concept of the foreign exchange market, including the operation of exchange rates and the effects of the dollar's gaining or losing value relative to other currencies.		
ECON-8.5	Summarize global patterns of economic activity-including world trade partners, the geographic features of trade, and international political borders-and explain the impact of developing nations on the global economy.	Gain from Trade	Limited liquidity
		Specialization and Trade	Globalization
			Store of value
Interdependence	Model "draught" project		