

Unit Title: UNIT ONE – THE MARKET ECONOMY	Duration: 5 Weeks
Unit Overview: This unit of study will explore how individuals, businesses and the government make economic decisions. Students will examine the role of prices in the market place and the relationship of investment to productivity and growth, paying special attention to how they influence the market. They will explore the many factors which affect the market, including supply, demand, prices and the government itself.	
GLCE/HSCE Addressed: <i>E1.1, E1.2, E1.3, E1.4</i> <u>1.1 Individual, Business, and Government Choices</u> - <i>Explain and demonstrate how economic organizations confront scarcity and market forces when organizing, producing, using, and allocating resources to supply the marketplace.</i> 1.1.1 Scarcity, Choice, Opportunity Costs, and Comparative Advantage – Using examples, explain how scarcity, choice, opportunity costs affect decisions that households, businesses, and governments make in the market place and explain how comparative advantage creates gains from trade. 1.1.2 Entrepreneurship – Identify the risks, returns and other characteristics of entrepreneurship that bear on its attractiveness as a career. <u>1.2 Competitive Markets</u> - <i>Analyze how the functions and constraints of business structures, the role of price in the market, and relationships of investment to productivity and growth, impact competitive markets.</i> 1.2.1 Business Structures – Compare and contrast the functions and constraints facing economic institutions including small and large businesses, labor unions, banks, and households. 1.2.2 Price in the Market – Analyze how prices send signals and provide incentives to buyers and sellers in a competitive market. 1.2.3 Investment, Productivity and Growth – Analyze the role investments in physical (e.g., technology) and human capital (e.g., education) play in increasing productivity and how these influence the market. <u>1.3 Prices, Supply, and Demand</u> - <i>Compare how supply, demand, price, equilibrium, elasticity, and incentives affect the workings of a market.</i> 1.3.1 Law of Supply – Explain the law of supply and analyze the likely change in supply when there are changes in prices of the productive resources (e.g., labor, land, capital including technology), or the profit opportunities available to producers by selling other goods or services, or the number of sellers in a market.	

1.3.2 Law of Demand – Explain the law of demand and analyze the likely change in demand when there are changes in prices of the goods or services, availability of alternative (substitute or complementary) goods things as change in income or availability of credit.

1.3.3 Price, Equilibrium, Elasticity, and Incentives – Analyze how prices change or services, or changes in the number of buyers in a market created by such through the interaction of buyers and sellers in a market including the role of supply, demand, equilibrium, elasticity, and explain how incentives (monetary and non-monetary) affect choices of households and economic organizations.

1.4 Role of Government in the Market - *Describe the varied ways government can impact the market through policy decisions, protection of consumers, and as a producer and consumer of goods and services, and explain how economic incentives affect government decisions.*

1.4.1 Public Policy and the Market – Analyze the impact of a change in public policy (such as an increase in the minimum wage, a new tax policy, or a change in interest rates) on consumers, producers, workers, savers, and investors.

1.4.2 Government and Consumers – Analyze the role of government in protecting consumers and enforcing contracts, (including property rights), and explain how this role influences the incentives (or disincentives) for people to produce and exchange goods and services.

1.4.3 Government Revenue and Services – Analyze the ways in which local and state governments generate revenue (e.g., income, sales, and property taxes) and use that revenue for public services (e.g., parks and highways).

1.4.4 Functions of Government – Explain the various functions of government in a market economy including the provision of public goods and services, the creation of currency, the establishment of property rights, the enforcement of contracts, correcting for externalities and market failures, there distribution of income and wealth, regulation of labor (e.g., minimum wage, child labor, working conditions), and the promotion of economic growth and security.

1.4.5 Economic Incentives and Government – Identify and explain how monetary and non-monetary incentives affect government officials and voters and explain how government policies affect the behavior of various people including consumers, savers, investors, workers, and producers.

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<p>Big Ideas:</p> <ul style="list-style-type: none">• Scarcity impacts the allocation of resources to individuals, businesses and the government..• Supply, demand and prices combine to impact and influence the market place in a variety of ways.• Decisions and actions made by the government have a significant impact on the market place.	<p>Essential Questions:</p> <ul style="list-style-type: none">• How are the basic economic questions answered in a market and social economy?• What role do incentives have on individual and social choices?• What are the advantages and disadvantages of a free market economy?• How does price affect supply and demand, equilibrium, elasticity, and incentives in the market?• How does the government impact the market through policy decisions, protection of consumers, and as a producer and consumer of goods and services?
<p>What should students know/understand?</p> <ul style="list-style-type: none">• Students should be able to identify and explain the Six Core Economic Principals.• Students should be familiar with the process of plotting supply and demand curves.• Students should recognize the ways in which price influences supply and demand.• Students should demonstrate an ability to calculate elasticity, as well as marginal product.	<p>What should students be able to do?</p> <ul style="list-style-type: none">• Use chapters and section headings, topic sentence, and summary sentences to select main ideas.• Detect cause and effect relationships.• Use appropriate sources to gain meaning of essential terms and vocabulary: glossary, dictionary, and textbook.• Find information using various parts of the book.• Evaluate sources of information.• Take notes & prepare Summaries.• Operate a computer to enter and retrieve information gathered from a variety of sources.• Group data in categories according to appropriate criteria.• Place data in tabular form: charts, graphs, illustrations.• Draw inferences from factual material.• Predict outcomes based on data gathered.• Separate a topic into major components according to appropriate criteria.

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<p>Vocabulary (<i>not an exhaustive list</i>): demand, resource, diminishing marginal utility, scarcity, price, earnings, capitalism, spending, communism, marketplace, social economy, unlimited wants, unlimited needs , limited resources, opportunity cost, opportunity benefits, command economy, elasticity of demand, change in demand, change in quantity demanded, equilibrium, shortage, surplus, change in quantity supplied, factors of production, long run, short run, returns to scale, Law of Supply, supply</p>	
<p>Formative Assessments - Possibilities Include:</p> <ul style="list-style-type: none"> • Plot supply and demand curve and identify the parts of the various curves. • Identify the causes of the shifting supply and demand curve. • Calculate elasticity and identify whether elastic, inelastic, or unitarily elastic. • Create graphic organizers. 	<p>Summative Assessment – Possibilities Include:</p> <p>Test on:</p> <ul style="list-style-type: none"> • Understanding of how economic organizations and individuals confront scarcity. • Compare and contrast business organizations. • How prices affect the market. • How supply, demand, price, equilibrium, elasticity and incentives affect the workings of the market. • How the government can impact the market through policy decisions, the protection of consumers. • How economic incentives affect government decisions. • The various functions of government in a market economy. • How the government policies affect the behavior of various people including consumers, savers, investors, workers, and producers.
<p>Project Ideas – Possibilities Include:</p>	<p>Resources/Technology Integration – Possibilities Include: Supplemental materials, additional web sites, textbooks, graphs and charts.</p>

Unit Title: UNIT TWO - THE NATIONAL ECONOMY OF THE UNITED STATES	Duration: 4 Weeks
Unit Overview: This unit will examine the national economy of the United States. Students will be presented with the opportunity to explore the impact that inflation and unemployment have on economic growth. They will consider how the Federal Reserve addresses the nation's economy through monetary policy and the government's fiscal policy.	
GLCE/HSCE Addressed: <i>E2.1</i> 2.1 Understanding National Markets - <i>Describe inflation, unemployment, output, and growth, and the factors that cause changes in those conditions, and describe the role of money and interest rates in national markets.</i> 2.1.1 Income – Describe how individuals and businesses earn income by selling productive resources. 2.1.2 Circular Flow and the National Economy – Using the concept of circular flow, analyze the roles of and the relationships between households, business firms, financial institutions, and government and non government agencies in the economy of the United States. 2.1.3 Financial Institutions and Money Supply – Analyze how decisions by the Federal Reserve and actions by financial institutions (e.g., commercial banks, credit unions) regarding deposits and loans, impact the expansion and contraction of the money supply. 2.1.4 Money Supply, Inflation, and Recession – Explain the relationships between money supply, inflation, and recessions. 2.1.5 Gross Domestic Product (GDP) and Economic Growth – Use GDP data to measure the rate of economic growth in the United States and identify factors that have contributed to this economic growth 2.1.6 Unemployment – Analyze the character of different types of unemployment including frictional, structural, and cyclical. 2.1.7 Economic Indicators – Using a number of indicators, such as GDP, per capita GDP, unemployment rates, and Consumer Price Index, analyze the characteristics of business cycles, including the characteristics of peaks, recessions, and expansions.	

2.1.8 Relationship Between Expenditures and Revenue (Circular Flow) – Using the circular flow model, explain how spending on consumption, investment, government and net exports determines national income; explain how a decrease in total expenditures affects the value of a nation’s output of final goods and services.

2.1.9 American Economy in the World – Analyze the changing relationship between the American economy and the global economy including, but not limited to, the increasing complexity of American economic activity (e.g., outsourcing, off-shoring, and supply-chaining) generated by the expansion of the global economy. (National Geography Standard 11, p. 206)

Big Ideas:

- Inflation, unemployment, output and growth are significant influences on the national economy.
- There are many factors that cause changes in inflation, unemployment, output and growth
- Money and interest rates play an important role in the national market.

Essential Questions:

- How well do financial institutions serve our needs?
- How does money serve the needs of our society?
- How has the banking system changed to meet today’s challenges?
- What banking services do financial intuitions provide?
- How do our savings and investments choices affect our economy?
- How does a nation decide what and how much to produce?
- How do we know if the economy is healthy?
- What does GDP show about the nation’s economy?
- How is technological progress related to the economic growth of a nation?
- How does the economy grow?
- What factors affect the phases of a business cycle?
- What are the causes of unemployment?
- What are the causes and effects of inflation?

What should students know/understand?	What should students be able to do?
<ul style="list-style-type: none">• Students should be able to demonstrate how to draw a circular flow diagram of the economy• Students should be able to identify some problems associated with GDP as a measure of economic well-being• Students should understand how the production possibilities curves represent trade-offs within GDP• Students should be aware of the various uses of income• Students should be able to demonstrate how government savings, and investment fit into the circular flow diagram• Students should recognize how aggregate supply and aggregate demand determine macroeconomic equilibrium• Students should understand why the distribution of income by industry has changed over the years• Students should be familiar with the definition of unemployment• Students should identify the economic, social, and personal costs of unemployment• Students should know the difference between demand-pull and cost-push inflation• Students should be familiar with the organization and functions of the Federal Reserve System• Students should be aware of the difference among the various types of financial institutions	<ul style="list-style-type: none">• Use chapter and section headings, topic sentences, and summary sentences to select main ideas.• Detect cause and effect relationships.• Interpret what is read by drawing inferences.• Read for a variety of purposes: critically, analytically, to predict outcomes, to answer a question, to form an opinion, to skim for facts.• Recognize and understand an increasing number of social studies terms.• Use appropriate source of information.• Make an outline, prepare summaries, take notes, and follow directions.• Interpret graphs.• Interpret social, political, and economic messages of cartoons.• Use community newspapers.• Operate a computer using prepared instructional or reference programs.• Operate a computer to enter and retrieve information gathered from a variety of sources.• Predict likely outcomes based on factual information.• Note cause and effect relationships.• Detect bias in data presented in various forms: graphics, tabular, visual print.• Combine critical concepts into a statement of conclusions based on information.• Restate major ideas of a complex topic in concise form.• Form opinion on critical examination of relevant information.

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	<p>What should students be able to do? -continued</p> <ul style="list-style-type: none"> • Reinterpret events in terms of what might have happened, and show the likely effects on subsequent events. • Present visually (chart, graph, diagram, model, etc.) information extracted from print. • Make decision based on the data obtained. • Keep informed on issues that affect society. • Identify situations in which social action is required.
<p>Vocabulary (not an exhaustive list): income, investment, circular flow, Production Possibilities Curve, Federal Reserve System, macroeconomics, monetary policy, macroeconomic equilibrium, fiscal policy, Lorenz Curve, gross domestic product, functional distribution of income, Consumer Price Index, Civilian Labor Force, recession capital, cyclical unemployment, Cost Push Inflation, frictional unemployment, aggregate demand, seasonal unemployment, aggregate supply, structural unemployment, Constant dollar GDP, recession, demand-pull inflation, Fractional Reserve Banking System, loose monetary policy, tight monetary policy, open market operations</p>	
<p>Formative Assessments - Possibilities Include:</p> <ul style="list-style-type: none"> • Identify problems associated with GDP. • Discuss the purpose of production possibilities curve. • Construct an Aggregate Supply and Demand curve. • Create a graphic organizer of the Federal Reserve System. • Create a response card discussing the differences between demand-pull and cost-push inflation. • Response Chaining of economic concepts related to costs of unemployment. 	<p>Summative Assessment – Possibilities Include:</p> <p>Test on:</p> <ul style="list-style-type: none"> • How the U.S economy as a whole works. • The make up of GDP and how society allocates resources • The trade-off in decision making. • The circular flow model to illustrate the flow of exchange among households, government and business. • Major source of income and how income is shared in our society. • Income inequality and poverty and how the government attempts to assist the poor. • Identify the four kinds of unemployment and identify ways of reducing unemployment in the United States. • Ways of controlling inflation.

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	<p>Summative Assessment –continued Test on:</p> <ul style="list-style-type: none">• Function of money how is supply and demand of money regulated• Identify the U.S. Central Banking System• Different levels of government taxes to raise revenue• Principles of taxation• How fiscal policy affects the levels of unemployment, inflation, and economic growth• The advantages of using fiscal policies as opposed to monetary policies• Economic growth and trade-offs involved• Government’s role in promoting and controlling economic growth
<p>Project Ideas – Possibilities Include:</p>	<p>Resources/Technology Integration – Possibilities Include: Supplemental materials, additional web sites, textbooks, graphs and charts.</p>

Unit Title: UNIT THREE -THE GLOBAL ECONOMY	Duration: 4 Weeks
Unit Overview: This unit will examine how different economic systems coordinate and facilitate the exchange, production, distribution and consumption of goods and services. Topics covered will include how the availability of natural resources, along with investments in human and physical capital, affects economic growth in developing nations. Students will evaluate how different international organizations, such as the World Trade Organization and International Monetary Fund, impact trade in developing economies	
GLCE/HSCE Addressed: <i>E3.1 - 3.1.1, 3.1.3, 3.1.5, E3.2 - 3.2.2, 3.2.3, 3.2.4</i> 3.1 Economic Systems - <i>Explain how different economic systems, including free market, command, and mixed systems, coordinate and facilitate the exchange, production, distribution, and consumption of goods and services.</i> 3.1.1 Major Economic Systems – Give examples of and analyze the strengths and weaknesses of major economic systems (command, market and mixed), including their philosophical and historical foundations (e.g., Marx and the Communist Manifesto, Adam Smith and the Wealth of Nations). 3.1.3 International Organizations and the World Economy – Evaluate the diverse impact of trade policies of the World Trade Organization, World Bank, or International Monetary Fund on developing economies of Africa, Central America, or Asia, and the developed economies of the United States and Western Europe. (<i>National Geography Standard 11, p. 206</i>) 3.1.5 Comparing Economic Systems – Using the three basic economic questions (e.g., what to produce, how to produce, and for whom to produce), compare and contrast a socialist (command) economy (such as North Korea or Cuba) with the Capitalist as a mixed, free market system of the United States. (<i>National Geography Standard 11, p. 206</i>) 3.2.2 Domestic Activity and World Trade – Assess the impact of trade policies (i.e. tariffs, quotas, export subsidies, product standards and other barriers), monetary policy, exchange rates, and interest rates on domestic activity and world trade. (<i>National Geography Standard 11, p. 206</i>) 3.2.3 Exchange Rates and the World Trade – Describe how interest rates in the United States impact the value of the dollar against other currencies (such as the Euro), and explain how exchange rates affect the value of goods and services of the United States in other markets. (<i>National Geography Standard 11, p. 206</i>)	

<p>3.2.4 Monetary Policy and International Trade – Analyze how the decisions made by a country’s central bank (or the Federal Reserve) impact a nation’s international trade. (National Geography Standard 13, p. 210)</p>	
<p>Big Ideas:</p> <ul style="list-style-type: none"> • The Global Marketplace • Economic Development: A Global Economic Issue • International Trade 	<p>Essential Questions:</p> <ul style="list-style-type: none"> • Should free trade be encouraged? • Why do nations trade? • What are the arguments for and against trade barriers and agreements? • How do exchange rates affect international trade? • How is a nation’s level of development defined? • Do the economics benefits of development outweigh the costs? • How has economic change affected different countries? • What are the effects of globalization?
<p>What should students know/understand?</p> <ul style="list-style-type: none"> • Students should be familiar with major imports and exports to the United States. • Students should comprehend why countries trade with each other. • Students should recognize reasons for restricting .and encouraging world trade. • Students should be able to identify several examples of international trade cooperation. • Students should be familiar with the different systems for valuing one country’s money in relation to another country’s money. • Students should be aware of income and population conditions in less-developed countries. • Students should be familiar with barriers to economic development in less-developed countries. • Students should understand why more advanced countries provide foreign aid to less developed countries. 	<p>What should students be able to do?</p> <ul style="list-style-type: none"> • Use chapter and section headings, topic sentences, and summary sentences to select main ideas. • Select passages that are pertinent to the topic studied. • Interpret what is read by drawing inferences. • Use picture, clues and picture captions to aid in comprehension. • Use usual word attack skills: sight recognition, structural analysis. • Evaluate sources of information-print, visual, electronic. • Listen for information. • Take notes. • Write essays and reports. • Interpret social and economic messages of cartoons. • Interpret graphs. • Operate a computer to enter and retrieve information gathered from a variety of sources. • Place data in tabular form: charts, graphs, illustrations

	<p>What should students be able to do? -continued</p> <ul style="list-style-type: none">• Note cause and effect relationships• Draw inferences from factual material• Predict likely outcomes based on factual information• Form a simple organization of key ideas related to a topic• Detect bias in data presented in various forms: graphics, tabular, visual print• Form opinion based on critical examination of relevant information• Restate major ideas of a complex topic in concise form• Present visually (chart, graph, diagram, model, etc.) extracted from print• Make decision based on the data obtained• Identify a situation in which a decision is required• Select an appropriate strategy to solve a problem• Communicate own beliefs, feelings, and convictions• Identify situations in which social action is required
<p>Vocabulary (not an exhaustive list): development, comparative advantage, developed nation, European Community, Per Capita GDP, exports, barriers to economic development, flexible exchange rate, dual economy, General Agreement on Tariffs and Trade, foreign aid, gold trade, Absolute Advantage, imports, balance of payments, International Monetary Fund (IMF), Balance of Trade, North American Free Trade Agreement, protectionism, quota, tariff, trade deficit, trade surplus</p>	

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<p>Formative Assessments - Possibilities Include:</p> <ul style="list-style-type: none"> • Create crossword puzzles using terms and concepts associated with the global economy, exchange papers with other students and solve each others puzzle. • Create graphic organizers illustrating the relationships of key concepts related with key concepts, i.e. protectionism. • Design a game associated with “Free Trade”. • Retell concerns associated with some of the financial aspects of International trade. • Compare and contrast the issues associated with absolute advantage and comparative advantage. • One minute paper recapping contents covered for the day. • Exit ticket addressing opened questions. 	<p>Summative Assessments - Possibilities Include:</p> <ul style="list-style-type: none"> • Evaluate the impact of the unequal distribution of resources. • Summarize the position of the United States in world trade. • Describe the effects of trade on employment. • Apply the concepts of specialization and comparative advantage to explain why countries trade. • Define various types of trade barriers. • Analyze the effects of trade barriers on economic activities. • Summarize arguments in favor of protectionism. • Evaluate the benefits and costs of participation in international trade agreements. • Explain the role of multinationals in the global market. • Explain how exchange rates of world currencies change. • Describe the effect of various exchange rate systems. • Define balance of trade and balance of payments. • Analyze the causes and effects of the U.S. trade deficit.
<p>Project Ideas – Possibilities Include: Research pro’s and con’s of the following question “Should foreign ownership of U.S. assets be restricted?” Write an essay taking a position on the question.</p>	<p>Resources/Technology Integration – Possibilities Include: Supplemental materials, additional web sites, textbooks, graphs and charts.</p>

Unit Title: UNIT FOUR - PERSONAL FINANCE	Duration: 4 Weeks
Unit Overview: This unit will explore how the economic forces of scarcity and opportunity cost impact choices. Also examined will be strategies in decision making and the development of personal finance and budgeting.	
GLCE/HSCE Addressed: <i>4.1 – 4.1.1, 4.1.2, 4.1.3, 4.1.4, 4.1.5, 4.1.6</i>	
<p>4.1 Decision Making - <i>Describe and demonstrate how the economic forces of scarcity and opportunity costs impact individual and household choices.</i></p> <p>4.1.1 Scarcity and Opportunity Costs – Apply concepts of scarcity and opportunity costs to personal financial decision making.</p> <p>4.1.2 Marginal Benefit and Cost – Use examples and case studies to explain and evaluate the impact of marginal benefit and marginal cost of an activity on choices and decisions.</p> <p>4.1.3 Personal Finance Strategy – Develop a personal finance strategy for earning, spending, saving and investing resources.</p> <p>4.1.4 Key Components of Personal Finance – Evaluate key components of personal finance including, money management, saving and investment, spending and credit, income, mortgages, retirement, investing (e.g., 401K, IRAs), and insurance.</p> <p>4.1.5 Personal Decisions – Use a decision-making model (e.g., stating a problem, listing alternatives, establishing criteria, weighing options, making the decision, and evaluating the result) to evaluate the different aspects of personal finance including careers, savings and investing tools, and different forms of income generation.</p> <p>4.1.6 Risk Management Plan – Develop a risk management plan that uses a combination of avoidance, reduction, retention, and transfer (insurance).</p>	

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<p>Big Ideas:</p> <ul style="list-style-type: none">• Personal finance is impacted by many of the same factors affecting the larger economy.• Scarcity and opportunity costs should be considered when making personal financial decisions.• There is a variety of risks involved in personal finance.• Use of a decision model offers clarity and organization of the complex aspects of personal finance.	<p>Essential Questions:</p> <ul style="list-style-type: none">• How can your spending habits help or hinder you?• What are some key steps to staying on a good financial track?• Why are people with a budget more likely to be financially secured than those who don't have a budget?• What is the difference between saving and investing?• What steps are necessary to building a portfolio?• What are the fundamentals of good credit?• Credit or Debit?• Risk management, insurance basics, why is it important?
<p>What should students know/understand?</p> <ul style="list-style-type: none">• Basic math.• How to use business section of newspapers and web pages.• How to interpret data.• Ability to access information through the internet.• Place data in tabular form, charts, graphs and written form.• Identify alternative courses of action and predict likely consequences of each.• Identify situations in which a decision is required.	<p>What should students be able to do?</p> <ul style="list-style-type: none">• Students should be aware of how to develop a budget.• Students should be familiar with the process of opening a checking account and h writing a check.• Students should be aware of the steps involved in the creation of an investment plan.• Students should understand how to manage credit and debt.• Students should be comfortable with the process of establishing a savings and retirement plan.• Students should know how to create a risk management plan (insurance).• Students should have an awareness of how to be smart consumers when purchasing durable goods.• Students should understand the process of selecting a career and finding ways to fund an education.• Students should understand paycheck, taxes and other deductions.• Students should be able to read various forms of printed material: books, magazines, newspapers, directories, schedules.

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	<p>What should students be able to do? -continued</p> <ul style="list-style-type: none"> • Students should feel confident in their search skills: special references business articles, journals, web pages.
<p>Vocabulary (<i>not an exhaustive list</i>): Annual Percentage Rate, dollar cost averaging, Annual Percentage Yield, electronic funds transfer, auto lease, Fair Credit Billing Act, automatic bill pay, Fair Credit Reporting Act, bankruptcy, Fair Housing Act, Consumer Protection Act, co-pay, Federal Deposit Insurance Corporation, credit, FICO score, credit report, gross pay, deductible, Health Maintenance Organization (HMO), Individual Retirement Account, installment loans, Rule of 72, lesser, security deposit, money market account, Social Security, net pay, payroll withholding, Truth in Lending Act, risk factors, risk management plan, risk pyramid, warranty, resume'</p>	
<p>Formative Assessments - Possibilities Include:</p> <ul style="list-style-type: none"> • Develop a balance sheet. • Calculate payments. • Calculate interest. 	<p>Summative Assessment – Possibilities Include:</p> <ul style="list-style-type: none"> • Create a budget. • Develop a personal finance strategy. • Use a decision making model to evaluate personal financial planning. • Develop a risk management plan.
<p>Project Ideas – Possibilities Include:</p>	<p>Resources/Technology Integration – Possibilities Include: Supplemental materials, additional web sites, textbooks, graphs and charts.</p>