

**Curriculum Standard One: The students will understand common economic terms and concepts and economic reasoning.**

Performance Objective	Critical Attributes	Benchmarks/Assessment
<p>*1. The students will examine the causal relationship between scarcity and the need for choices.</p>	<p>A. Can the students define and identify examples of scarcity in many areas of the economy? Is the student able to explain the process of making choices?</p>	<ul style="list-style-type: none"> <li>• The students will role play city council members faced with making budget decisions for a city. Choices will have to be made that will involve opportunity costs.</li> <li>• The students will create and maintain a personal budget with goals they hope to achieve with this budget.</li> </ul>
<p>*2. The students will explain opportunity cost and marginal benefit and marginal cost.</p>	<p>A. Can the students define opportunity cost?</p>	<ul style="list-style-type: none"> <li>• The students will be able to use the production possibility curve to demonstrate the trade-offs between two choices.</li> </ul>
<p>3. The students will demonstrate an understanding of marginal analysis.</p>	<p>A. Can the students understand that to get one unit more of (marginal benefit) something, one has to give up something (marginal cost)? The marginal cost can be measured in dollars, time, or some psychic cost?</p>	<ul style="list-style-type: none"> <li>• As part of the investment simulation, the students will research corporations.</li> <li>• The students will be able to construct and interpret the production possibility curve to show marginal cost and marginal benefits.</li> </ul>
<p>4. The students will demonstrate an understanding of incentives as a reason for choices.</p>	<p>A. Can the students understand that people respond to incentives and they will act in a way they believe will benefit them the most?</p>	<ul style="list-style-type: none"> <li>• The students will use a decision-making grid to examine criteria and choices.</li> </ul>

Performance Objective	Critical Attributes	Benchmarks/Assessment
<p>*5. The students will identify the difference between monetary and nonmonetary incentives and how changes in incentives cause changes in behavior.</p>	<p>A. Can the students understand incentives can take the form of money, benefits, emotional rewards, or anything a person desires?</p>	<ul style="list-style-type: none"> <li>• The students will be able to use the production possibility curve to demonstrate the trade-offs between two choices.</li> </ul>
<p>6. The students will understand the concept of diminishing marginal returns.</p>	<p>A. Can the students discriminate the lessening usefulness (utility) of each successive unit of some good or service they would consume?</p>	<ul style="list-style-type: none"> <li>• The students will observe and analyze a demonstration of the diminishing marginal utility of some good consumed by a classmate.</li> </ul>
<p>*7. The students will evaluate the role of private property as an incentive in conserving and improving scarce resources, including renewable and nonrenewable natural resources.</p>	<p>A. Can the students understand that private ownership of LLC allows the citizens of the United States to earn and attain a high standard of living?</p>	<ul style="list-style-type: none"> <li>• The students will formulate an economic survival plan using scarce resources.</li> <li>• The students will identify ways of promoting environmental stewardship using economic incentives and disincentives.</li> </ul>
<p>*8. The students will analyze the role of a market economy in establishing and preserving political and personal liberty (e.g., through the works of Adam Smith).</p>	<p>A. Can the students make the connection between economic freedom and political freedom?</p>	<ul style="list-style-type: none"> <li>• The students will interpret readings to find connections between economics and political freedom or the lack of both freedoms in various countries.</li> </ul>

**Curriculum Standard Two: The students will analyze the elements of America’s market economy in a global setting.**

Performance Objective	Critical Attributes	Benchmarks/Assessment
<p>1. The students will demonstrate an understanding of the three systems: traditional, market, and command.</p>	<p>A. Can the students give examples of how the elements of traditional, market, and command show up in the United States’ economy?</p>	<ul style="list-style-type: none"> <li>• The students will identify examples of traditional, market, and command economic systems based on historic documents and current news.</li> <li>• The students will interpret graphic information that contrasts capitalism with communism.</li> </ul>
<p>*2. The students will understand the relationship of the concept of incentives to the law of supply and the relationship of the concept of incentives and substitutes to the law of demand.</p>	<p>A. Can the students draw and manipulate the supply and demand curves?</p> <p>B. Can the students distinguish the determinants of supply and demand and shift the supply and demand curves based on changes in the determinants?</p>	<ul style="list-style-type: none"> <li>• The students will be able to list determinants of supply and demand.</li> <li>• The students will be able to translate information about the price and quantities on supply and demand schedules into drawing of supply and demand curves.</li> </ul>
<p>*3. The students will discuss the effects of changes in supply and/or demand on the relative scarcity, price, elasticity, and quantity of particular products and the four factors of production: land, labor, capital, and entrepreneurship.</p>	<p>A. Can the students translate changes in supply and demand into changes in quantity demanded or quantity supplied?</p>	<ul style="list-style-type: none"> <li>• The students will be able to draw supply and demand curves and manipulate them according to changes in determinants.</li> <li>• The students will be able to correlate how the income effect and the substitution effect are illustrated by the demand curve.</li> </ul>

Performance Objective	Critical Attributes	Benchmarks/Assessment
<p>*4. The students will explain the roles of property rights, competition, and profit in a market economy.</p>	<p>B. Can the students define land, labor, capital, and entrepreneurial ability?</p> <p>C. Can the students indicate, through the use of supply and demand curves, how changes in supply and demand change price?</p> <p>D. Can the students relate how much a change in price will affect the change in quantity supplied or the quantity demanded through the assessment of determinants of elasticity?</p> <p>E. Can the students relate the price of resources to the demand for the goods or services the resources and used to produce?</p> <p>A. Can the students understand that the profit motive and the right to amass private property is the driving force in capitalism?</p> <p>B. Can the students understand the benefits of competition are lower prices, innovation, and greater efficiency?</p>	<ul style="list-style-type: none"> <li>• The students will show that changes in LLC and EA shift the PPC.</li> <li>• The students will be able to differentiate between changes in quantity of demanded or supplied and changes in demand or supply.</li> <li>• The students will be able to evaluate why businesses price goods and services at certain levels based on the elasticity of demand for the goods and services.</li> <li>• The students will be able to list determinants of elasticity of supply and demand.</li> <li>• The students will extrapolate what future job market conditions will be like based on their knowledge of consumer market factors.</li> <li>• The students will find articles in newspapers, magazines, and on the internet that illustrate the profit motive as an incentive to produce products consumers are demanding.</li> <li>• The students will use market graphs to see supply shifts to right lower prices.</li> </ul>

Performance Objective	Critical Attributes	Benchmarks/Assessment
<p>*5. The students will explain how prices reflect the relative scarcity of goods and services and perform the allocative function in a market economy.</p>	<p>A. Can the students examine the price of a good and correlate the price with the relative scarcity of the good?</p> <p>B. Can the students recognize that price serves as a means of allocation of resources?</p>	<ul style="list-style-type: none"> <li>• The students will take part in a market simulation.</li> <li>• The students will use a market graph to demonstrate that rising demand causes increased supply which allocates resources to production of popular products.</li> </ul>
<p>*6. The students will understand the process by which competition among buyers and sellers determines a market price.</p>	<p>A. Can the students illustrate the process by which the market seeks equilibrium?</p>	<ul style="list-style-type: none"> <li>• The students will be able to analyze news stories about events that affect supply and demand and draw shifts of the curves or changes of price and quantity along the curves to illustrate the articles.</li> </ul>
<p>*7. The students will describe the effect of price controls on buyers and sellers.</p>	<p>A. Can the students compare the state of market equilibrium to how surpluses or shortages arise out of government use of price floors and price ceilings?</p>	<ul style="list-style-type: none"> <li>• The students will be able to use supply and demand curves to show what the effects would be in a rise of minimum wages.</li> </ul>
<p>*8. The students will analyze how domestic and international competition in a market economy affects goods and services produced and the quality, quantity, and price of those products.</p>	<p>A. Can the students explain the advantages and disadvantages of foreign trade?</p>	<ul style="list-style-type: none"> <li>• The students will summarize the “Challenge of America” of complete free trade.</li> <li>• The students will calculate the percentage of products they buy from foreign firms.</li> </ul>

Performance Objective	Critical Attributes	Benchmarks/Assessment
<p>*9. The students will explain the role of profit as the incentive to entrepreneurs in a market economy.</p>	<p>B. Can the students understand the concept of comparative and absolute advantage?</p> <p>A. Can the students understand that entrepreneurs will move their resources to earn economic profit by making goods and services in the greatest demand by consumers (who have sovereignty) in the market place?</p>	<ul style="list-style-type: none"> <li>• The students will complete an exercise call the “Hatfields and the McCoys” that illustrates comparative and absolute advantage.</li> <li>• The students will use a market graph to demonstrate that rising demand causes increased supply which allocates resources to production of popular products.</li> </ul>
<p>*10. The students will describe the functions of the financial markets.</p>	<p>A. Can the students describe how and why individuals and institutions invest in financial markets?</p> <p>B. Can the students differentiate between where money goes when issues of stock are first purchased and where it goes when stock is traded after that?</p>	<ul style="list-style-type: none"> <li>• As part of the investment simulation, the students will be able to graph the progress and results of their investments.</li> <li>• As part of the investment simulation, the students will be able to graph the progress and results of their investments.</li> </ul>
<p>*11. The students will discuss the economic principles that guide the location of agricultural production and industry and the spatial distribution of transportation and retail facilities.</p>	<p>A. Can the students understand that supply and demand determines land use?</p>	<ul style="list-style-type: none"> <li>• If given data, the students will graph the data and demonstrate high demand determines land usage (e.g., housing v. farmland).</li> </ul>

**Curriculum Standard Three: The students will analyze the influence of the federal government on the American economy.**

Performance Objective	Critical Attributes	Benchmarks/Assessment
<p>1. The students will demonstrate an understanding that economic institutions transform land, labor, capital, and entrepreneurial talent into goods, and services.</p>	<p>A. Can the students identify the three main forms of business organizations in the United States?</p>	<ul style="list-style-type: none"> <li>• The students will classify businesses as proprietorships, partnerships, or corporations.</li> <li>• As part of the investment simulation, the students will research corporations.</li> </ul>
<p>*2. The students will demonstrate an understanding that the product and factor markets facilitate transactions between business firms and households in the circular flow model.</p>	<p>A. Can the students recognize that government, non-profit organizations, and cooperatives are also economic institutions that are part of the circular flow?</p>	<ul style="list-style-type: none"> <li>• The students will be able to draw and analyze the circular flow model.</li> <li>• The students will be able to personalize the circular flow model by integrating their own transactions.</li> </ul>
<p>*3. The students will demonstrate an understanding of the four market structures: perfect competition, monopolistic competition, oligopoly, and monopoly.</p>	<p>A. Can the students compare and contrast the attributes of the four market structures?</p> <p>B. Can the students predict what will happen to product price depending on which market structure the product is sold in?</p>	<ul style="list-style-type: none"> <li>• The students will be able to generalize in which markets there are “price takers” and which there are “price makers.”</li> <li>• The students will create a graphic organizer to analyze market structures.</li> </ul>

Performance Objective	Critical Attributes	Benchmarks/Assessment
<p>*4. The students will understand how the role of government in a market economy often includes providing for national defense, addressing environmental concerns, defining and enforcing property rights, attempting to make markets more competitive, and protecting consumers' rights.</p>	<p>A. Can the students evaluate and critique the role of government in their life and that of the overall economy?</p> <p>B. Can the students differentiate between the public and private sectors and public and private goods?</p>	<ul style="list-style-type: none"> <li>• The students will participate in a group activity to brainstorm and report the different ways government is part of their life.</li> <li>• The students will identify which goods and services they use by keeping a diary for two weeks and note whether they come from the private or public sector.</li> </ul>
<p>*5. The students will identify the factors that may cause the costs of government actions to outweigh the benefits.</p>	<p>A. Can the students recognize that the benefits government provides have costs attached to them and are they willing to bear the costs?</p>	<ul style="list-style-type: none"> <li>• The students will give examples of the costs (i.e., taxes) and benefits of government intervention in the economy.</li> </ul>
<p>*6. The students will describe the aims of government fiscal policies (taxation, borrowing, spending) and their influence on production, employment, and price levels.</p>	<p>A. Can the students extend the predicted effects of fiscal policy to stabilize the economy to levels of production, employment, and prices?</p>	<ul style="list-style-type: none"> <li>• The students will be able to trace a change in fiscal policy to a change in aggregate demand or aggregate supply to a change in prices, employment, and production.</li> </ul>
<p>*7. The students will understand the aims and tools of monetary policy and their influence on economic activity (e.g., the Federal Reserve).</p>	<p>A. Can the students understand how the Federal Reserve is organized and how it influences the economy through monetary policy?</p> <p>B. Can the students outline the responsibilities of the Federal Reserve as our country's central bank?</p>	<ul style="list-style-type: none"> <li>• The students will be able to label the diagram indicating which bodies of the Federal reserve are responsible for its various duties.</li> <li>• The students will draw a diagram of the structure of the Federal Reserve.</li> </ul>



Performance Objective	Critical Attributes	Benchmarks/Assessment
<p>*8. The students will demonstrate an understanding of how the federal government uses fiscal policy to try to maintain economic stability.</p>	<p>C. Can the students name the tools of monetary policy and discuss how they are used to contract or expand the economy?</p> <p>D. Can the students demonstrate how the multiplier effect works to create money?</p> <p>A. Can the students name the phases of the business cycle?</p> <p>B. Can the students correlate how government should use the tools of fiscal policy (taxing, borrowing, and spending) to stabilize the economy?</p>	<ul style="list-style-type: none"> <li>• The students will be able to identify interest rates, reserve requirements, and open market operations.</li> <li>• The students will be able to illustrate how a change in interest rates will change the money supply with the money market model.</li> <li>• The students will use balance sheets or bar graphs to illustrate the creation of money in the fractional reserve banking system.</li> <li>• The students will be able to calculate how much money will be created using the multiplier.</li> <li>• The students will be able to draw, label, and explain the business cycle.</li> <li>• The students will be able to illustrate the effects of fiscal policy with the aggregate demand/aggregate supply model.</li> </ul>

**Curriculum Standard Four: The students will analyze the elements of the United States labor market in a global setting.**

Performance Objective	Critical Attributes	Benchmarks/Assessment
<p>*1. The students will understand the operations of the labor market, including the circumstances surrounding the establishment of principle American labor unions, procedures that unions use to gain benefits for their members, the effects of unionization, the minimum wage, and unemployment insurance.</p>	<p>A. Can the students trace the historic development and growth of labor unions?</p> <p>B. Can the students correlate the rise of labor unions’ political power with laws passed governing wages, work weeks, and working conditions?</p> <p>C. Can the students graphically portray the historic rise of minimum wages?</p> <p>D. Can the students recognize the power of collective bargaining to gain higher wages, fringe benefits, and better working conditions?</p>	<ul style="list-style-type: none"> <li>• The students will create a timeline illustrating the history of labor unions and labor legislation.</li> <li>• The students will create a timeline illustrating the history of labor unions and labor legislation.</li> <li>• The students will create a timeline illustrating the history of labor unions and labor legislation.</li> <li>• The students will participate in a simulation of collective bargaining.</li> <li>• The students will do research on the internet for union information and home pages and create fact sheets on unions.</li> </ul>
<p>*2. The students will describe the current economy and labor market, including the types of goods and services produced, the types of skills workers need, the effects of rapid technological change, and the impact of international competition.</p>	<p>A. Can the students access what they need to do in the way of education and acquisition of skills to be competitive in the global labor market?</p>	<ul style="list-style-type: none"> <li>• The students will research and report on how technology destroys and creates jobs.</li> <li>• The students will derive the value of increased productivity by simulating the process of introducing innovations to the productions process.</li> </ul>

Performance Objective	Critical Attributes	Benchmarks/Assessment
<p>*3. The students will discuss wage differences among jobs and professions, using the laws of demand and supply and the concept of productivity.</p>	<p>A. Can the students contrast the wages and difference of the four categories of labor ranging from unskilled to professional?</p> <p>B. Can the students explain the connection between rising standards of living and rising productivity?</p>	<ul style="list-style-type: none"> <li>• The students will be able to make generalizations about the relationship between productivity and wages.</li> <li>• The students will create a chart showing skills, education, supervision, and compensation for the four grades of labor.</li> </ul>
<p>*4. The students will explain the effects of international mobility of capital and labor on the United States economy.</p>	<p>A. Can the students infer from current data and news stories how they will be competing in the job market with people from all over the world?</p>	<ul style="list-style-type: none"> <li>• The students will compare minimum or average wages in other countries and compare their standards of living to ours.</li> </ul>

**Curriculum Standard Five: The students will analyze the aggregate economic behavior of the United States economy.**

Performance Objective	Critical Attributes	Benchmarks/Assessment
<p>*1. The students will distinguish between nominal and real data.</p> <p>*2. The students will define, calculate, and explain the significance of the unemployment rate, the number of new jobs created monthly, an inflation or deflation rate, and a rate of economic growth with special emphasis on Gross Domestic Product, aggregate supply, and aggregate demand.</p>	<p>A. Can the students use a price index to change nominal data to real data?</p> <p>A. Can the students determine the importance and usefulness of the leading economic indicators?</p> <p>B. Can the students use the statistics about unemployment job creation and inflation to explain where the economy is at in the business cycle?</p> <p>C. Can the students understand that spending by the private sector (C + I + Xn) accounts for ¾ of GDP and spending by the public sector (G) is ¼ of the GDP?</p> <p>D. Can the students use the national income accounting model to determine aggregate supply and aggregate demand?</p>	<ul style="list-style-type: none"> <li>• The students will calculate the amount of inflation that has occurred using a price index.</li> <li>• The students will work with others in a small group to examine the statistics for a leading indicator. Each group will report to the class and will then predict what direction the economy is moving.</li> <li>• The students will look at current economic data on unemployment and price levels and GDP on the internet and use it to discuss the current status of the economy.</li> <li>• The students will use the formula <math>C + G + F</math> (or <math>X_n</math>) = GDP (aggregate demand).</li> <li>• The students will trace the source of income for each sector of the economy (aggregate supply) using the national income accounting model.</li> </ul>

Performance Objective	Critical Attributes	Benchmarks/Assessment
<p>3. The students will distinguish between short-term and long-term interest rates and explain their relative significance.</p> <p>4. The students will demonstrate an understanding that the United States' economy is a mixed economy with market being the dominant element in the mix.</p>	<p>A. Can the students correlate the length of time a bond or CD is held with the amount of interest paid on it?</p> <p>A. Can the students understand the concept of consumer sovereignty?</p>	<ul style="list-style-type: none"> <li>• The students will research interest rates on bonds and CDs of various durations to see how interest rates rise the longer they are held.</li> <li>• The students will examine their own life to see how much of their decision-making and buying is influenced by tradition, government, or market and write a summary outlining it.</li> </ul>

**Curriculum Standard Six: The students will analyze issues of international trade and explain how the United States economy affects, and is affected by, economic forces beyond the United State’s borders.**

Performance Objective	Critical Attributes	Benchmarks/Assessment
<p>*1. The students will identify the gains in consumption and production efficiency from trade, with emphasis on the main products and changing geographic patterns of twentieth century trade among countries in the Western Hemisphere.</p>	<p>A. Can the students construct production possibility curves for two countries that demonstrate comparative advantage?</p>	<ul style="list-style-type: none"> <li>• The students will use production possibilities curves to demonstrate the added production achieved through specialization and trade.</li> </ul>
<p>*2. The students will compare the reasons for and the effects of trade restrictions during the Great Depression compared with present-day arguments among labor, business, and political leaders over the effects of free trade on the economic and social interests of various groups of Americans.</p>	<p>A. Can the students compare the decrease in global tariff rates with the changes in global trade and production?</p>	<ul style="list-style-type: none"> <li>• The students will defend the implementation of a tariff for a product of their choice.</li> </ul>
<p>*3. The students will understand the changing role of international political borders and territorial sovereignty in a global economy.</p>	<p>A. Can the students see how recent changes in political borders and formation of trading block has changed global production?</p>	<ul style="list-style-type: none"> <li>• The students will research and report on the development of the European Economic Community.</li> </ul>
<p>*4. The students will explain foreign exchange, the manner in which exchange rates are determined, and the effects of the dollar’s gaining (or losing) value relative to other currencies.</p>	<p>A. Can the students understand the significance of the value of the dollar relative to other currencies?</p>	<ul style="list-style-type: none"> <li>• The students will explain the function of the foreign exchange markets and their effects on the United States’ exports.</li> </ul>

