

Economics

Course Overview

Economics is the study of how best to allocate scarce resources among competing uses. Areas of emphasis include inflation, supply and demand, and concepts of production and distribution. The course provides students with a good basic understanding of economics and the ability to better deal with economic decisions in life.

Scope and Sequence

Timeframe	Unit	Instructional Topics
2-3 weeks	Unit 1- What is Economics?	1.1: Scarcity and the Factors of Production 1.2: Opportunity Cost 1.3: Marginal Thinking 1.4 Production Possibilities Graphs
3 weeks	Unit 2- Economic Systems	2.1: Answering the Three Economic Questions 2.2: The Free Market 2.3: Centrally Planned Economies 2.4: Modern Economies
3 weeks	Unit 3- Macroeconomics	3.1: Preserving Economic Freedoms 3.2: Providing a Safety Net 3.3: Providing Public Goods 3.4: Promoting Growth and Stability
4 weeks	Unit 4- Microeconomics	4.1: Basic Elements of Demand 4.2: Shifts of the Demand Curve 4.3: Elasticity of Demand 4.4: Supply 4.5: Cost of Production 4.6: Shifts of the Supply Curve
2 weeks	Unit 5- Globalization	5.1 Global Economics 5.2 Comparative Advantage 5.3 Absolute Advantage
2 weeks	Unit 6- Issues in Economics	6.1: Unemployment 6.2: Inflation 6.3: Poverty

Prerequisites

None

Materials and Resources

Essentials of Economics Bradley R. Schiller

Hand-outs

Lab/LMC

PowerPoint Notes

Course Description

UNIT 1: What is Economics? -- 7 Day(s)

Description

Students will identify basic economic vocabulary such as scarcity, trade-offs, opportunity cost, etc...

Academic Vocabulary

Need

Want

Economics

Goods vs. Services

Scarcity vs. Shortage

Factors of Production

Land

Labor

Capital

Physical Capital

Human Capital

Entrepreneur

Trade-Off

Guns or Butter

Opportunity Cost

Thinking at the Margin

Production Possibilities Graph

Production Possibilities Frontier

Efficiency and Growth

Underutilization

Cost/Benefit

Law of increasing opportunity costs

Law of diminishing marginal returns

Unit Level Key Questions

What is economics?

Why must individuals make choices?

What is the difference between scarcity and shortage?

8/26/21

Why is scarcity considered to be the major problem in economics?
What role do entrepreneurs play within the economy?
Why does every decision involve trade-offs?
How can consumers make decisions by thinking at the margin?
What does a production possibilities graph show?
How does a production possibilities graph show efficiency, growth, and cost?
Describe the term economics and how it is used in everyday life.
Describe how the four factors of production are used to create goods and services.
How does opportunity cost affect economic decision making?
What is a production possibilities graph and how do economists use it to understand resources?

TOPIC: Scarcity and the Factors of Production -- 4 Day(s)

Description

Students will examine the topic of scarcity and describe the factors of production.

Learning Targets

Students will conclude that people, businesses, and governments must choose among limited or scarce resources.

Students will create a production possibilities graph showing their understanding of scarcity and decision making involving resources.

Students will explain the three factors of production: land, labor, and capital.

TOPIC: Opportunity Cost -- 3 Day(s)

Description

With every decision individuals make, there involves opportunity costs: the most desirable alternative given up as the result of a decision.

Learning Targets

Students will assess the concepts of trade-offs and thinking at the margin.

Students will define and give examples of opportunity cost.

Using heterogeneous groups, students discuss recent novels, television shows, and films evaluating characters' opportunity cost decision making.

TOPIC: Production Possibilities Graphs -- 2 Day(s)

Description

Decisions about which goods and services to produce affect each of us every day. Production possibilities graphs can help us examine the opportunity cost of these decisions.

Learning Targets

Students will identify and explain what a production possibilities graph shows.

UNIT: Economic Systems -- 6 Day(s)

Description

In the Economic Systems Unit, students will be introduced to the economic issues and goals shared by all societies and the four principal economic systems: traditional, market, centrally planned, and mixed. Students will learn that there are advantages and disadvantages of each system and how they are similar and different.

Academic Vocabulary

Economic System

Factor Payments

Safety Net

Standard of Living

Traditional Economy

Market Economy

Centrally Planned Economy

Mixed Economy

Market

Specialization

Household

Firm

Factor Market

Profit

Product Market

Self-Interest

Incentive

Competition

Invisible Hand

Consumer Sovereignty

Socialism

Communism

Authoritarian

Collective

Heavy Industry

Laissez Faire

Free Enterprise

Continuum

Transition

Privatize

Unit Level Key Questions

What are the three key economic questions all societies must answer?

What are the basic economic goals all societies share?

What are the similarities and differences between the four economic systems: traditional economy, market economy, centrally planned economy, and mixed economy?

Why do markets exist?

What are the advantages of a free-market economy?

How is a centrally planned economy organized?

What are the main problems of a centrally planned economy?

How does a circular flow diagram of a mixed economy show its main purposes and functions?

What role does the free enterprise play within the economy of the United States?

TOPIC: Answering the Three Economic Questions -- 2 Day(s)

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Description

All societies must answer three key economic questions about the production and consumption of goods and services. How a society answers these questions depends on how much it values different economic goals. Four different economic systems have developed in response to these three questions.

Learning Targets

Students will be able to determine how economic systems decide what to produce, how to produce it, and how consumers will be impacted.

TOPIC: The Free Market -- 2 Day(s)**Description**

Markets exist so that people can exchange what they have for what they want. A free market is self-regulating economic system directed by individuals acting in their own self-interest.

Learning Targets

Students will analyze the need for markets and identify the advantages of a free market economy.

TOPIC: Centrally Planned Economies -- 1 Day(s)**Learning Targets**

Students will compare and contrast the similarities and differences between a centrally planned economy and the United States' economy by using a double-bubble map.

TOPIC: Modern Economies -- 2 Day(s)**Description**

It is highly unlikely that any nation can exist successfully under a pure centrally planned economy or a pure market economy. Most modern economies mix features of both systems. The economy of the United States is based on the principles of the free market.

Learning Targets

Students will evaluate the economy of the United States and explain that it is based on the principles of the free market.

UNIT: Macroeconomics -- 7 Day(s)**Description**

In the American Free Enterprise Unit, students will learn the specifics of the American Free Enterprise system, including how the public sector and the private sector interact to maintain a stable, efficient, and growing economy.

Academic Vocabulary

Public Interest

Public Policy

Interest Group

Public Disclosure Laws

Poverty Threshold

Welfare

Cash Transfers

In-Kind Benefits

Market Failure

Public Good**Public Sector****Private Sector**

Free Rider

Externality

Macroeconomics**Microeconomics****Gross Domestic Product (GDP)**

Business Cycle

Technology

Unit Level Key Questions

In what ways does the government act to protect Americans' economic rights within our system of free enterprise?

What are some examples of how the government creates policies to serve the public interest?

How does the government intervene to protect public health, safety, and well-being?

How does the United States fight poverty?

How and why do markets fail?

What are five examples of public goods?

How does the government allocate resources by managing externalities?

How does the government track and seek to influence business cycles?

Why and how does the government encourage innovation?

TOPIC: Preserving Economic Freedoms -- 2 Day(s)**Description**

The government intervenes in the free market economy only when the benefits of a policy outweigh the costs.

Learning Targets

Students will describe how the government intervenes in the free market economy only when the benefits of a policy outweigh the costs.

TOPIC: Providing a Safety Net -- 2 Day(s)**Description**

Because the free market tends to distribute wealth unevenly, the United States government has created programs to aid poor, disabled, and elderly people.

Learning Targets

Students will evaluate how the free market tends to distribute wealth unevenly, and as a result, how the United States government has created programs to aid poor, disabled, and elderly people.

TOPIC: Providing Public Goods -- 1 Day(s)**Description**

The government sometimes steps in to redistribute resources when it determines that the free market has failed to distribute them efficiently.

Learning Targets

Students will evaluate how the government sometimes steps in to redistribute resources when it determines that the free

market has failed to distribute them efficiently.

TOPIC: Promoting Growth and Stability -- 2 Day(s)

Description

The government attempts to stabilize business cycles, aids the growth of the economy, and encourages technological innovation.

Learning Targets

Students will describe how government attempts to stabilize business cycles, aids the growth of the economy, and encourages technological innovation.

UNIT: Demand -- 9 Day(s)

Description

In the Demand Unit, students are introduced to the concept of demand. The Demand Unit moves from general definitions of demand to an exploration of demand curves and their shifts, and finally, to an discussion of the elasticity of demand. Students will be able to articulate the law of demand, elasticity, and shifts in the demand curve.

Academic Vocabulary

Law of Demand

Substitution Effect

Income Effect

Demand Schedule

Market Demand Schedule

Demand Curve

Ceteris Paribus

Normal Goods

Inferior Goods

Complements

Substitutes

Elasticity of Demand

Inelastic

Elastic

Unitary Elastic

Total Revenue

Unit Level Key Questions

What is the law of demand?

How does the substitution effect and the income effect influence decisions?

How does a demand schedule for an individual and a market show overall demand?

How do I analyze and interpret the information presented in a demand curve?

What are the differences between a change in quantity demanded and a shift in the demand curve?

What are several factors that determine demand and what can cause a shift in the demand curve?

How does the change in the price of one good affect demand for a related good?

How do I calculate elasticity of demand?

How do I determine elasticity of demand from a demand schedule and a demand curve?

How do I identify factors that affect elasticity?

How do firms use elasticity and revenue to make decisions?

TOPIC: Basic Elements of Demand -- 4 Day(s)

Description

According to the Law of Demand, people buy less of a good when its price rises. Demand schedules and demand curves illustrate how people and markets react to different prices.

Learning Targets

Students will analyze and infer information from demand curves.

Students will consider factors that influence demand curves.

Students will create a market demand and an individual demand schedule.

Students will create a market demand schedule and an individual demand schedule.

Students will discuss and evaluate the income effect on consumer spending habits.

Students will understand the effect of price on consumer spending habits.

Students will discuss the substitution effect and focus on consumer spending.

Students will focus on consumer spending and the substitution effect.

TOPIC: Shifts of the Demand Curve -- 3 Day(s)

Description

Several factors can change the demand for a good at any price. A change in demand causes the entire demand curve to shift to the left or right.

Learning Targets

Students will evaluate and interpret several factors which can change the demand for a good at any price. Students will explain how a change in demand causes the entire demand curve to shift to the right or left.

TOPIC: Elasticity of Demand -- 3 Day(s)

Description

Elasticity of demand describes how consumers will react to a change in the price of a good. Their reaction depends on the original price of the good and the way that good is used by consumers.

Learning Targets

Students will describe how consumers will react to a change in the price of a good and discuss how consumers' reactions depend on the original price of the good and the way that good is used by consumers.

UNIT: Supply -- 9 Day(s)

Description

A family buys a half-gallon of orange juice at the supermarket. An author hires a college student to translate a book from Spanish to English. A store sells a bicycle to a woman over the Internet. In the Economics Supply Unit, students will describe how these exchanges involve a buyer and a seller. During the Supply Unit, students will assess the "supply side" of the marketplace, where sellers decide how much to produce or supply.

Academic Vocabulary

Law of Supply

Quantity Supplied

Variable

Market Supply Schedule

Supply Curve

Market Supply Curve

Elasticity of Supply

Marginal Product of Labor

Increasing Marginal Return

Diminishing Marginal Return

Fixed Cost

Variable Cost

Total Cost

Marginal Cost

Marginal Revenue

Operating Cost

Subsidy

Excise Tax

Regulation

Unit Level Key Questions

What is the law of supply?

How can an economist create a supply schedule and a supply curve?

What is the elasticity of supply and how does it affect producer decisions?

How does elasticity of supply change in the short run and in the long run?

How do firms decide how much labor to hire to produce a certain level of output?

How and what variables does a firm take into account when deciding to shut down an unprofitable business?

How do input costs affect the supply of a good?

What are three ways that the government can influence the supply of a good?

TOPIC: Supply -- 3 Day(s)

Description

The law of supply predicts that producers will offer more of a good as its price goes up. How strongly producers react to a change in price depends on their ability to raise or lower output.

Learning Targets

Students will assess and differentiate the law of supply and the law of demand. Students will discuss the law of supply.

Students will analyze how strongly producers react to a change in price depends on their ability to raise or lower output.

TOPIC: Costs of Production -- 3 Day(s)

Description

Entrepreneurs consider marginal benefits and costs when deciding how much output to produce. Ordinarily, firms earn their highest profits when the cost of making one more unit is the same as the market price of the good.

Learning Targets

Students will evaluate how entrepreneurs consider marginal benefits and costs when deciding how much output to produce. Students will analyze firms and understand how they earn their highest profits when the cost of making one more unit is the same as the market price of the good.

TOPIC: Changes in Supply -- 4 Day(s)

Description

Changes in the costs of inputs can raise or lower the supply of a good at all prices. The number of firms in a market and the price and supply of other goods can also have an effect on the supply of a good.

Learning Targets

Students will assess the changes in the costs of inputs which can raise or lower the supply of a good at all prices.

Students will discuss how the number of firms in a market and the price and supply of other goods can also have an effect on the supply of a good.

UNIT: Economic Challenges -- 7 Day(s)

Description

In the Economic Challenges Unit, students will learn about some of the major challenges to our economy: unemployment, inflation, and poverty. Students will examine the causes and effects of each of these challenges as well as actions the government takes to decrease their negative effects.

Academic Vocabulary

Frictional Unemployment

Seasonal Unemployment

Structural Unemployment

Cyclical Unemployment

Census

Unemployment Rate

Full Employment

Underemployed

Discouraged Worker

Inflation

Purchasing Power

Price Index

Consumer Price Index (CPI)

Market Basket

Inflation Rate

Creeping Inflation

Chronic Inflation

Hyperinflation

Quantity Theory

Demand-Pull Theory

Cost-Push Theory

Wage-Price Spiral

Fixed Income

Deflation

Poverty Threshold

Poverty Rate

Income Distribution

Food Stamps
Lorenz Curve
Enterprise Zone
Block Grant
Workfare

Unit Level Key Questions

What are the similarities and differences between frictional, seasonal, structural, and cyclical unemployment?
How does the Bureau of Labor Statistics determine the unemployment rate?
Why does full employment not mean that every worker is employed?
How does the use of price indexes compare changes in prices over time?
What are the causes and effects of inflation?
What are some recent trends in the inflation rate?
What are the major government policies intended to combat poverty?

TOPIC: Unemployment -- 2 Day(s)

Description

Unemployment affects millions of Americans every day. The unemployment rate provides an important clue to the health of the entire economy.

Learning Targets

Students will calculate and assess how the unemployment rate provides an important clue to the health of the entire economy.

TOPIC: Inflation -- 3 Day(s)

Description

Economists use indexes to keep track of rising prices and to calculate the inflation rate. The level of inflation in the economy can affect wages, purchasing power, and other aspects of everyday life.

Learning Targets

Students will use indexes to keep track of rising prices and to calculate the inflation rate. Students will describe how the level of inflation in the economy can affect wages, purchasing power, and other aspects of everyday life.

TOPIC: Poverty -- 2 Day(s)

Description

Despite the tremendous success of our nation's economy, millions of Americans remain poor. The government develops public policies and programs to try to combat poverty.

Learning Targets

Students will assess how the government develops public policies and programs to try to combat poverty.