

## ECONOMICS MASTERY GUIDE

### **Learning Expectations and Performance Indicators:**

#### **The student will:**

#### **1. understand that scarcity of productive resources requires choices that generate opportunity costs.**

*At Level 1, the student is able to*

\*explain how marginal benefits is the change in total benefit resulting from an action, and marginal cost is the change in total cost resulting from action.

*At Level 2, the student is able to*

\*describe optimal levels of output and how they are determined by comparing the marginal benefits and costs of producing a little more against the marginal benefits and costs of producing a little less.

*At Level 3, the student is able to*

\*identify how increases in productivity are affected by incentives that reward successful innovation and investments and in physical and human capital.

#### **2. understand the importance of natural resources in modern economic decision-making.**

*At Level 1, the student is able to*

\*explain the problem of scarcity and the importance of making economic decisions.

*At Level 2, the student is able to*

\*identify the locations of key natural resources and the impact of these locations on modern economic systems.

*At Level 3, the student is able to*

\*analyze how inventions and technological advances change the value of key natural resources at certain points in history and is able to predict future changes in value.

#### **3. understand how values and beliefs influence economic decisions in different societies.**

*At Level 1, the student is able to*

\*describe the American concept of private property and wealth.

*At Level 2, the student is able to*

\*compare and contrast the attitudes of ownership of property and wealth in major world cultures;

\*illustrate how cultural factors affect socioeconomic classes.

*At Level 3, the student is able to*

\*differentiate between the methods of production and exchange in pre-industrial, industrial, and post-industrial societies.

#### **4. understand the different major economic systems.**

*At Level 1, the student is able to*

\*explain how scarcity of economic resources (human, capital, technological, and natural) requires each form of government to make decisions about how goods and services are to be produced and distributed.

*At Level 2, the student is able to*

\*identify the important characteristics of the capitalistic system;

\*identify the characteristics of major socialistic systems.

*At Level 3, the student is able to*

\*compare the characteristics of capitalist and socialist systems in terms of their strengths and weaknesses;

\*evaluate the economic factors behind the collapse of communism in the Soviet Union and Eastern Europe in the 1980's.

## **5. understand the impact of world demographics on economic systems.**

*At Level 1, the student is able to*

\*interpret the impact of population change on an economic system.

*At Level 2, the student is able to*

\*describe the standard of living in overpopulated countries and predict future events when there is a more even balance of trade;

\*study the results of major population change.

*At Level 3, the student is able to*

\*predict the relationship between densely populated countries and future world trade relationships;

\*predict the outcome of future human rights issues in overpopulated countries.

## **6. describe how the world economies are connected.**

*At Level 1, the student is able to*

\*consider how globalization altered the cultures of select societies.

*At Level 2, the student is able to*

\*illustrate how telecommunications affected the world society;

\*differentiate between accommodation and assimilation.

*At Level 3, the student is able to*

\*evaluate the affects of globalization of consumers' demands in various cultures.

## **7. understand key economic concepts and economists.**

*At Level 1, the student is able to*

\*explain the factors affecting consumer choices;

\*define the concepts of supply and demand, profit and loss, and analyze factors affecting each.

\*define the concept of goods and services and their relationship to utility;

*At Level 2, the student is able to*

\*identify the major elements of both microeconomics and macroeconomics;

\*identify major world economists and their contributions including but not limited to Smith, Malthus, Marx, Keynes, and Galbraith.

*At Level 3, the student is able to*

\*interpret data related to macroeconomic concepts including gross national product, gross domestic product, and the national budget.

**8. understand the concepts and impact of the American financial structure, including banking and monetary policy.**

*At Level 1, the student is able to*

\*identify components of the American financial system.

*At Level 2, the student is able to*

\*describe the structure of the Federal Reserve System and the role it plays in the American economic system.

*At Level 3, the student is able to*

\*compare and contrast the roles of credit unions, commercial banks, saving and loans associations, finance companies, and consumer finance companies in the American economy;

\*analyze the major causes and the major events associated with the saving and loan crisis in the 1980's.

**9. understand how historical events have influenced the economic development of the United States. Identify major historical events that affected the economic development of the United States.**

*At Level 1, the student is able to*

\*describe the major elements of United States land policy throughout U.S. history;

\*describe the major events in the rise of the labor movement, including the national labor unions;

\*describe the major events in the conflicts between labor and management since the Civil War, including tactics employed by both sides such as strikes, injunctions, black list, and boycotts.

*At Level 2, the student is able to*

\*analyze how the Great Depression and the New Deal changed the economic relationship between the citizen and the government;

\*analyze major elements of Reaganomics and supply-side economics;

\*understand the impact of international organizations including, but not limited to, NAFTA, WTO, GATT and EEC, on the United States economic policy;

\*understand the economic impact of African American migration, the recent northward migration of Hispanic Americans, and the development of the Sun Belt and Rust Belt in the 20th century;

\*describe the major events in a select labor/management clash, such as the Homestead Strike, the railroad strikes, or the General Motors-UAW strike.

*At Level 3, the student is able to*

\*select a New Deal program including, but not limited to, WPA, CCC, NRA, AAA, TVA, PWA, and appraise the program's impact on the economy of the time and trace its impact on the economy today.

**10. understand the alternative policies and processes used in making decisions about the use of land and other physical resources in communities, regions, nations and the world.**

*At Level 1, the student is able to*

\*explain property rights and regulations of land use by the government.

*At Level 2, the student is able to*

\*understand the concepts of zoning, residential and commercial;  
\*recognize the factors involved in decision-making about local and community land usage.

*At Level 3, the student is able to*

\*select and develop a land-use plan that will meet local, state, national and international regulations.

**11. understand the search for a balance between effective usage of land and other natural resources and environment concerns.**

*At Level 1, the student is able to*

\*identify land use differences between the United States and select other foreign countries;

\*explain the connection between population growth and misuse of natural resources.

*At Level 2, the student is able to*

\*compare recent and historical examples of conflicts between environmental and economic concerns.

*At Level 3, the student is able to*

\*analyze the impact of interest groups that affect decisions between environmental and economic concerns.

**12. understand how governmental policies have economic consequences at the national, state, and local levels.**

*At Level 1, the student is able to*

\*list government agencies that control production of goods and services;

\*identify the major government regulatory agencies including OSHA, Federal Trade Commission, FDA, and FCC. ICC and EPA on economic activities.

*At Level 2, the student is able to*

\*describe the factors involved in making city, state, and national budgets, and impact of interest groups;

\*develop a business plan for starting a new company.

*At Level 3, the student is able to*

\*identify those agencies and regulations he/she will have to consider in starting a new company.

**13. understand contemporary and historical data relevant to the field of economics.**

*At Level 1, the student is able to*

\*use data from charts, maps, and statistical tables.

*At Level 2, the student is able to*

\*analyze charts, maps, and statistical tables to understand economic attitudes;

\*interpret stock market quotations and reports.

*At Level 3, the student is able to*

\*play roles in stock market simulations.

**14. understand how socioeconomic status contributes to the development of sense of self. Identify values and standards associated economically on his/her lifestyle.**

*At Level 1, the student is able to*

\*explain how values and beliefs influence goals and decisions in different cultures.

*At Level 2, the student is able to*

\*analyze the values and standards of different culture groups from an individual perspective.

**15. understand the economic roles and responsibilities of citizens living in a democratic society.**

*At Level 1, the student is able to*

\*recognize the skills necessary to make a citizen employable and productive.

*At Level 2, the student is able to*

\*analyze the need to relate national economic events and trends to the local economic picture;

\*evaluate those factors which would make an industry more or less likely to locate in certain community.

*At Level 3, the student is able to*

\*evaluate the changing roles of citizens in a technological advancing economy.

**16. understand the elements of personal and fiscal responsibility.**

*At Level 1, the student is able to*

\*understand how world demographics affect their daily lives;

\*understand how each economic choice they make involves an opportunity cost;

\*explain their personal responsibilities in using the three basic buying principles;

\*explain consumer rights and responsibilities.

*At Level 2, the student is able to*

\*demonstrate skills needed for computing finance charges, safe debt loads, and personal budgets;

\*describe their rights and responsibilities as a borrower;

\*understand their investment choices and how a person determines the amount to save and invest;

\*understand personal aspects of inflation, unemployment, and interest rates;

\*understand that technological change and investments in capital goods and human capital may increase labor productivity but have significant opportunity costs and economic risks.

*At Level 3, the student is able to*

\*create (in groups) examples of different business organizations and show advantages and disadvantages of each from an individual perspective;

\*know that an interest rate is a price of money that is borrowed or saved and that the forces of supply and demand determine interest rates;

\*know that the real interest rate is the nominal or current interest rate minus the expected rate of inflation;

\*explain why riskier loans command higher interest rates than safer loans;

\*describe why higher interest rates reduce business investment spending and consumer spending.

**17. understand the knowledge, skills, and attitudes necessary to function effectively in a technologically expanding global economy.**

*At Level 1, the student is able to*

\*explain how countries are economically interdependent, and why this is important in the 21 century.

*At Level 2, the student is able to*

\*evaluate the business ethics of a given situation and defend that position.

*At Level 3, the student is able to*

\*appraise national income accounting concepts;

\*create web-quests on select international economic organizations.