

ECONOMICS

.5 Credit

1 Semester

11, 12

Course Description: This course is a study of the American economic system in which students will develop an understanding of the basic principles and laws of our economy. The course will examine the nature of economics, the production of goods and services, supply and demand theory, money and banking, macroeconomic fundamentals, and financial markets. Emphasis will be placed on applying economic theories to current issues in the global economy. In addition, this course will increase students' financial literacy through the study of basic personal finance concepts.

UNIT 1: INTRODUCTION TO ECONOMICS

Time Line: 2 to 2.5 weeks

Wisconsin Standards: D.12.1, D.12.2, D.12.6, D.12.7, D.12.12

Unit Sub-Topics:

- A. What is Economics?
 - 1. Rationale for the study of Economics
 - 2. Problems involved in the study of Economics
 - 3. Basic Economic Principles/Economic way of thinking
- B. The Basic Economic Problem - Allocation of Resources
 - 1. Economic wants v. Production resources
 - 2. Scarcity and choices
 - 3. Opportunity costs/Trade-offs
 - 4. Production Possibilities Model
 - 5. Marginal analysis
- C. Historical Development of Economic Systems
 - 1. Three basic questions every society must answer
 - a. What to produce
 - b. How to produce
 - c. For whom to produce
 - 2. Command, Market, and Traditional economies
 - 3. Capitalist, Socialist, and Communist models
 - 4. The Economics of the U.S. Constitution

Learner Outcomes:

- Develop a rationale for the study of economics.
- Analyze the problems involved in the study of economics.
- Define economics.
- Identify Allocation of Resources/ Opportunity Costs/Tradeoff as the basic economic problem.
- Formulate decisions about the three basic economic questions.
- Distinguish between the basic institutions of capitalism, socialism, and communism.
- Recognize and explain the interaction between economics and consumer economic problems.

Instructional Strategies:

Lectures
Videos/DVDs
Small/Large Group Activities
Outside Readings
Discussions
Guest Speakers
Internet Research/Activities
Current Issues/Events

Suggested Activities/Resources:

Video: *The Nature of Economics, Greed, and Is America #1?* (ABC News: John Stossel)
Paul Solman Video- Production Possibilities Model
www.econedlink.org activities (Comparative System Activity)
Economic goals worksheet
Capstone activities
Capstone: An Examination of the Economic Features of the Constitution
Transact simulation (free enterprise)
Country Profile Project

Suggested Assessment:

Daily Assignments
Quizzes
Tests
Projects
Participation

UNIT 2: PRODUCTION OF GOODS AND SERVICES

Time Line: 2 to 2.5 weeks

Wisconsin Standards: D.12.14

Unit Sub-Topics:

A. Production and its Factors

1. Land, labor, capital, entrepreneurship, and technology
2. Product and factor markets (Circular Flow Model)

B. Productivity

1. Efficiency

C. Business organizations and economic institutions

1. Sole proprietorships, partnerships, corporations, cooperatives, non-profit organizations

D. Competition

1. Economies of scale
2. Market Models: Perfect Competition, Monopolistic Competition, Oligopolies, Monopolies

E. Laws of Production

1. Production function/diminishing returns
2. Marginal analysis

Learner Outcomes:

- Describe a circular flow model of a market economy and explain the factor – product market relationship.
- Summarize the interdependence of businesses, households, government, foreign expenditures.
- Relate the transformation of productivity through business organizations, combinations of capital, and economies of scale.
- Demonstrate a basic understanding of business decision making utilizing the concepts of diminishing returns and production function.
- Analyze the impact of the degrees of competition represented by the various market models on individuals and business.

Instructional Strategies:

Lectures

Videos/DVDs

Small/Large Group Activities

Outside Readings

Discussions

Guest Speakers

Internet Research/Activities

Current Issues/Events

Suggested Activities/Resources:

Video: *Frontline: Is Wal-Mart Good for America?* and *History of the Stock Market* (History Channel)

Business Organization Community Project

Product Differentiation chewing gum activity

Bluff Side Casino externalities

Capstone Activities

www.econedlink.org

www.epp.glencoe.com - Role of Government activity

Suggested Assessment:

Daily Assignments

Quizzes

Tests

Projects

Participation

UNIT 3: PRICE CREATION

Time Line: 3 weeks

Wisconsin Standards: D.12.2, D.12.10

Unit Sub-Topics:

A. Price System

1. Advantages of the price system
2. Disadvantages of the price system

B. Supply – Demand - Equilibrium

1. Supply

- a. Law of supply
- b. Supply and quantity supplied
- c. Determinates of supply
- d. Elasticity of supply

2. Demand

- a. Law of demand
- b. Demand and quantity demanded
- c. Determinates of demand
- d. Elasticity of demand

3. Supply and demand analysis

C. Extensions to supply and demand analysis

1. Price floor
2. Price ceiling

Learner Outcomes:

- Recognize the advantages and disadvantages of the price system.
- Illustrate the factors that generate and influence quantities demanded, quantities supplied, demand, supply, and elasticity.
- Determine a price structure utilizing the laws of supply and demand.
- Analyze a market price as to possible causes and projections for the future.
- Evaluate the impact of price situations in practical settings (i.e. for themselves and for a business).
- Analyze the impact of price floors and price ceilings on the free market.

Instructional Strategies:

Lectures

Videos/DVDs

Small/Large Group Activities

Outside Readings

Discussions

Guest Speakers

Internet Research/Activities

Current Issues/Events

Suggested Activities/Resources:

Video: Paul Solman: Supply and Demand

Capstone Activities

Lemonade Stand game

www.econedlink.org

Supply/Demand Activities (graphs, illustrations, etc.)

Suggested Assessment:

Daily Assignments

Quizzes

Tests

Projects

Participation

UNIT 4: MONEY AND BANKING

Time Line: 2 to 2.5 weeks

Wisconsin Standards: D.12.5, D.12.11, D.12.14

Unit Sub-Topics:

A. What is money?

1. Forms of money
2. Functions of money
3. Characteristics of money
4. History of banking

B. The Federal Reserve System

1. Origins of the Federal Reserve
2. Structure of the Federal Reserve
3. Functions of the Federal Reserve
 - a. Monetary policy
 - b. Other functions

Learner Outcomes:

- Describe and evaluate the forms, functions, and characteristics of money and the history of banking.
- Explain and analyze the functions of the Federal Reserve System.
- Evaluate the various tools of monetary policy.

Instructional Strategies:

Lectures

Videos/DVDs

Small/Large Group Activities

Outside Readings

Discussions

Guest Speakers

Internet Research/Activities

Current Issues/Events

Suggested Activities/Resources:

Video: The Federal Reserve video series (*The Eye of the Storm, The Power of Money, The Fed Today, and What Should the Fed Do?*), *Introduction to Banking* and *Electronic Money*

www.moneyfactory.com

www.federalreserve.gov

U.S. Banking and the Federal Reserve Timeline activity

Capstone activities

Suggested Assessment:

Daily Assignments

Quizzes

Tests

Projects

Participation

UNIT 5: MACROECONOMIC CONCEPTS

Time Line: 2 to 2.5 weeks

Wisconsin Standards: D.12.3, D.12.4, D.12.8, D.12.13

Unit Sub-Topics:

- A. Gross domestic product
- B. Business Cycle
 - 1. Causes/indicators/effects
 - a. Expansion
 - b. Contraction
- C. Unemployment
- D. Fiscal policy
- E. National debt and deficit
- F. Taxation
 - 1. Federal
 - 2. State
 - 3. Local
- G. International Trade
 - 1. American foreign trade policy
 - 2. Barriers to trade

Learner Outcomes:

- Identify the Gross Domestic Product (GDP) and other economic indicators.
- Analyze the status of the economy with respect to the business cycles.
- Understand the effects of unemployment on the economy.
- Evaluate the effectiveness of fiscal policy in the economy.
- Evaluate the reasons for taxation and how tax revenues are allocated.
- Understand the importance of international trade and its impact on the US economy.

Instructional Strategies:

Lectures
Videos/DVDs
Small/Large Group Activities
Outside Readings
Discussions
Guest Speakers
Internet Research/Activities
Current Issues/Events

Suggested Activities/Resources:

Video: *Frontline: Is Wal-Mart Good for America?* and *Mr. Stossel goes to Washington* (ABC News: John Stossel)

www.brillig.com/debt_clock/

IRS Publications: 1040EZ/WI-Z tax forms

Suggested Assessment:

Daily Assignments

Quizzes

Tests

Projects

Participation

UNIT 6: PERSONAL FINANCE

Time Line: 3.5 to 4 weeks

Wisconsin Standards: D.12.9, D.12.11

Unit Sub-Topics:

A. Personal Finance

1. Budgeting
2. Managing checking and saving accounts
3. Consumer lending
4. Credit cards
5. Career exploration
6. Housing
7. Insurance

B. Reality Store simulation

Learner Outcomes:

- Make informed consumer choices by planning a personal budget which organizes both income and spending in the context of the Reality Store simulation.
- Research and analyze various vocational and educational options.
- Analyze the cost and benefits of using consumer credit (personal loans/credit cards).
- Recognize the costs and responsibility of maintaining personal checking accounts and other bank accounts.
- Evaluate housing options, costs, and responsibilities.
- Evaluate the various insurance options including auto, home, health, and life.

Instructional Strategies:

Lectures

Videos/DVDs

Small/Large Group Activities

Outside Readings

Discussions

Guest Speakers

Internet Research/Activities

Current Issues/Events

Suggested Activities/Resources:

Videos: *Frontline: The Secret of the Credit Card*, *Credit Card Basics* and *Buying the Necessities*
Reality Store

Managing checkbook activities

Credit Activities: FICO credit scores, Credit history (credit worthiness), and building good credit

Credit Card: statement and solicitation analysis activity

Budget simulation

Suggested Assessment:

Daily Assignments

Quizzes

Tests

Projects

Participation

UNIT 7: FINANCIAL MARKETS

Time Line: 2.5 weeks

Wisconsin Standards: D.12.9, D.12.11

Unit Sub-Topics:

A. Principles of Investing

1. Time value of money
2. Diversification
3. Risk and return

B. Investment/Saving Options

1. Stocks (stock market simulation)
2. Bonds
3. Mutual funds
4. Certificates of deposit
5. Money market accounts
6. Other investment and saving options

C. Retirement Planning

1. Individual Retirement Accounts
2. 401(K) plans
3. Pension plans
4. Social Security

Learner Outcomes:

- Compare the different savings and investing options for retirement.
- Understand the role and function of the stock market in our economy.
- Demonstrate knowledge of investment principles through participation in a stock market simulation.

Instructional Strategies:

Lectures

Videos/DVDs

Small/Large Group Activities

Outside Readings

Discussions

Guest Speakers

Internet Research/Activities

Current Issues/Events

Suggested Activities/Resources:

Videos: *How Wall Street Works and History of the Stock Exchange*

StocksQuest –stock market simulation

On-line stock research and analysis

Wall Street Journal - stock table and article analysis

Financial planner presentation – retirement planning and options

Current issues concerning social security
On-line savings and investing calculators

Suggested Assessment:

Daily Assignments

Quizzes

Tests

Projects

Participation