

FOLSOM CORDOVA UNIFIED SCHOOL DISTRICT

**Course Outline
Economics**

Date: November 2001

Subject Area: Social Science

Proposed Grade Level(s): 12

Course Length: 1 Semester

Grading: A-F

Number of Credits: 5

Prerequisites: 12th grade standing or permission of the instructor

COURSE DESCRIPTION:

In this course, students will deepen their understanding of the economic problems and institutions of the nation and the world in which they live. They will learn to make reasoned decisions on economic issues as citizens, workers, consumers, business owners/managers, and members of civic groups. Although this one semester course is a course in social science, students will add to the economic understandings they acquired in previous grades and apply tools (such as graphs, statistics, and equations) learned in other subject fields to their understanding of our economic system.

GENERAL GOALS/PURPOSES:

Students study economics for three goals/purposes: to gain knowledge and cultural understanding, to develop democratic understanding and civic values, and to obtain skills in social participation. To achieve these goals, students in an economics course will:

1. **develop economic literacy** to gain an understanding of the basic economic problems confronting all societies, the basic economic goals, performance, and problems of our society, and comparative economic systems to better comprehend the international economic system.
2. **develop historical literacy** to gain a sense of historical empathy, an understanding of continuity and change, and an understanding of the importance of religion, philosophy, and other major belief systems on economic systems.
3. **develop ethical literacy** to build respect for each person as a unique individual
4. **develop cultural literacy** to understand the connections and interactions between a nation's economic system and other components of the nation's culture.
5. **develop sociopolitical literacy** to understand political and social systems, the relationship between a society and its laws, and how political and social systems interact with economic systems.
6. **develop an understanding of this nation's identity**
7. **develop an understanding of civic values, rights and responsibilities** to enable students to appreciate the qualities and individual responsibilities required of citizens in a democratic free market economy.
8. **develop social participation skills, critical thinking skills, and study skills** that promote economic competence.

STUDENT READING COMPONENT:

Students in an Economic course will be able to access information from various types of printed material and will be able to utilize the following reading strategies:

1. previewing and prediction of text and printed material;
2. accessing vocabulary and the special language of the discipline of economics;
3. monitoring reading by engaging in self-questioning, checking for understanding, analyzing and evaluating written material, and reaching reasoned conclusions based on evidence and sound judgment;
4. summarizing and evaluating research evidence and point of view and seeing connections with other political trends and developments.

STUDENT WRITING COMPONENT:

Students in an Economics course will be able to effectively locate, select and organize information from various types of written and electronic sources and organize and express their ideas clearly in well-reasoned and well-constructed essays, debate briefs, research papers, letters, speeches, etc.

STUDENT ORAL COMPONENT:

Students in an Economics course will develop speaking and listening skills. They will demonstrate a willingness to listen to the differing views of others. Students will organize and present well-reasoned and well-constructed oral presentations to include debates, speeches, panel discussions, role-plays, etc.

FINAL ASSESSMENT:

Each high school will determine its final assessment process; i.e., test, project, etc.

DETAILED UNITS OF INSTRUCTION:

The following timeline/outline of state standards for instruction is a guide only. The timeline can be adjusted to allow for student learning activities and projects. All standards can be covered within a flexible outline, allowing for a different sequencing of the units of study. Specific suggestions for activities and assessments are listed in appendix A. The following timeline/outline of curriculum is an outline only; for a more detailed rationale of alignment to state standards see Appendix B.

Unit 1 –Introduction to Economics (2 weeks)

California Social Science Standards:

- 12.1 Students understand common economic terms and concepts and economic reasoning..
 1. Examine the causal relationship between scarcity and the need for choices.
 2. Explain opportunity cost and marginal benefit and marginal cost.
 3. Identify the difference between monetary and non-monetary incentives and how changes in incentives cause changes in behavior.
 4. Evaluate the role of private property as an incentive in conserving and improving scarce resources, including renewable and nonrenewable resources.
 5. Analyze the role of a market economy in establishing and preserving political and personal liberty (e.g., through the works of Adam Smith).

Unit 2 –Microeconomics (4 weeks))

California Social Science Standards:

- 12.2 Students analyze the elements of America’s market economy in a global setting.
 1. 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.
 2. Discuss the effects of changes in supply and/or demand on the relative scarcity, price, and quantity of particular products.

3. Explain the roles of property rights, competition, and profit in a market economy.
4. Explain how prices reflect the relative scarcity of goods and services and perform the allocative function in a market economy.
5. Understand the process by which competition among buyers and sellers determines a market price.
6. Describe the effect of price controls on buyers and sellers.
7. Analyze how domestic and international competition in a market economy affects goods and services produced and the quality, quantity, and price of those products.
8. Explain the role of profit as the incentive to entrepreneurs in a market economy.
9. Describe the functions of the financial markets.
10. Discuss the economic principles that guide the location of agricultural production and industry and the spatial distribution of transportation and retail facilities.

Unit 3 – Macroeconomics (4 weeks)

California Social Science Standards

12.3 Students analyze the influence of the federal government on the American economy.

1. 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.
2. Identify the factors that may cause the costs of government actions to outweigh the benefits.
3. Describe the aims of government fiscal policies (taxation, borrowing, spending) and their influence on production, employment, and price levels.
4. Understand the aims and tools of monetary policy and their influence on economic activity (e.g., the Federal Reserve).

Unit 4 – Elements of the U.S. Labor Market (2 weeks)

California Social Science Standards

12.4 Students analyze the elements of the U.S. labor market in a global setting.

1. Understand the operations of the labor market, including the circumstances surrounding the establishment of principal American labor unions, procedures that unions use to gain benefits for their members, the effects of unionization, the minimum wage, and unemployment insurance.
2. 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.
3. Discuss wage differences among jobs and professions, using the laws of demand and supply and the concept of productivity.
4. Explain the effects of international mobility of capital and labor on the U.S. economy.

Unit 5 – Aggregate Economic Behavior (2 weeks)

California Social Science Standards

12.5 Students analyze the aggregate economic behavior of the U.S. economy.

1. Distinguish between nominal and real data.
2. Define, calculate, and explain the significance of an unemployment rate, the number of new jobs created monthly, an inflation or deflation rate, and a rate of economic growth.
3. Distinguish between short-term and long-term interest rates and explain their relative significance.

Unit 6 – World Economics (3 weeks)

California Social Science Standards

- 12.6 Students analyze issues of international trade and explain how the U.S. economy affects, and is affected by, economic forces beyond the United States' borders.
1. 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.
 2. Compare the reasons for 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.
 3. Understand the changing role of international political borders and territorial sovereignty in a global economy.
 4. 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.

Unit 7 – Consumer Economics (3 weeks) *Please see Appendix A-Consumer Economics for specific district ESLR's..*

California Social Science Standards

- 12.4 Students analyze elements of the U.S. labor market in a global setting.
2. 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.
 3. Discuss wage differences among jobs and professions, using the laws of demand and supply and the concept of productivity.
- 12.5 Students analyze the aggregate economic behavior of the U.S. economy.
2. Define, calculate, and explain the significance of an unemployment rate, the number of new jobs created monthly, an inflation or deflation rate, and of economic growth.
 3. Distinguish between short-term and long-term interest rates and explain their relative significance.

SUBJECT AREA CONTENT STANDARDS TO BE ADDRESSED:

12th grade Economic Standards – See course outline above.

DISTRICT ESLR'S TO BE ADDRESSED:

When students exit an economics course, they will be:

1. **SELF-DIRECTED LEARNERS** who will continue to learn, evaluate, and analyze economic choices and issues in their own lives, in America, and in the world.
2. **EFFICIENT COMMUNICATORS** who will take an active part in community and national dialogues regarding economic policy issues and demonstrate tolerance for different viewpoints and cultural values.
3. **QUALITY PRODUCERS** who can initiate projects, set quality standards and can adapt to changing conditions.
4. **CONSTRUCTIVE THINKERS** who are able to separate fact from opinion, analyze and evaluate information, assess economic problems and choose appropriate solutions.
5. **COLLABORATIVE WORKERS** who can work in a variety of settings and culturally diverse groups and who are willing to work within these settings and groups for the common good.
6. **RESPONSIBLE CITIZENS** who develop the ability to make reasoned decisions on economic issues as citizens, workers, consumers, business owners/managers, and members of civic groups.

APPENDIX A

Social Science ESLRs: Economics (12th Grade)

State Standards	ESLR	Content	Skills	Suggested Activities	*Suggested Assessments
12.1	Introduction to Economics Students will explain and use basic economic terms and concepts.	Scarcity Economic choices Trade offs Opportunity Costs Renewable Resources Non-renewable Resources Benefit and Cost Analysis Three basic questions Marginal benefits Marginal costs	Oral communication Problem solving Creative thinking Cooperative learning Analysis	Role-play / moral dilemma regarding scarce resources Problem solving activities Marginal Analysis	Self and group evaluation of role play Written analysis of an opportunity cost Marginal cost/benefit analysis of producing a product or service
12.1.5 12.2.3 12.2.8	Comparative Economics Students will compare and contrast the major world economic systems.	Major tenets of market economy: private property, competition, profit, incentives Capitalism <u>Wealth of Nations</u> – Adam Smith Communism Democratic socialism Mixed economies. Mercantilism	Compare & contrast Oral communication Prediction Artistic interpretation	Comparative posters Venn diagrams Debate between major economic systems Predict success of world economies	Create a chart or diagram that compares economic systems Essay predicting success of world economies Class and group evaluation of debate

State Standards	ESLR	Content	Skills	Suggested Activities	Suggested Assessments
<p>12.2 12.4</p>	<p>Microeconomics Students will explain the functioning of a market economy.</p>	<p>Law of supply Law of demand Factors that effect demand and supply Elasticity of demand and supply Role of scarcity, price, and competition in market transactions Supply and demand curves Equilibrium price Price ceilings and price floors Types of competition Types of markets Labor unions and their economic benefits Trends in the American labor force, including the effects of technology and international competition Effect of market globalization on the US labor force</p>	<p>Oral communication Interpretation of data Graphing Written communication Prediction Debate</p>	<p>Conduct market surveys and translate results into schedules and curves Write news reports describing labor struggles Predict the importance of NAFTA and other legislation Debate minimum wage Debate specific merger affects on competition</p>	<p>Analysis of demand and supply data Student generated graphs that demonstrate changes in demand and supply Evaluation of a product's price elasticity Class and group debate evaluation of proposed mergers</p>

State Standards	ESLR	Content	Skills	Suggested Activities	Suggested Assessments
12.5.3	Consumer Economics Students will analyze their role as consumers in the economy.	Budgeting, Saving, Investing, Credit.	Planning Cooperative Learning Problem Solving Interpreting Data Analysis Compare and contrast Basic math function Graphing Research	Stock market simulation Consumer project (ie. rent an apartment, buy a consumer good) Study of supermarkets Compare and contrast credit unions and banks Create a financial plan	Stock market portfolio Reports oral/written from consumer projects Prepare and present a real budget for moving out on one's own
12.3 12.5	Macroeconomics Students will analyze influences on the economy, including the U.S. government.	Federal Reserve System Monetary policy Fiscal policy & goals Taxation policy Spending policy Deficit spending Govt. Ownership Public Goods Govt. Subsidization Government Control and Law making Inflation Unemployment Business Cycles Economic Statistics/indicators Banking Money	Oral communication Written communication Prediction Analysis Evaluation Basic math functions Graphing Interpreting data	Field trip to Federal Reserve Bank (SF) Banking simulation Predict the effect of proposed legislation/government policy on the economy Debate the proper role of government in the American economy Calculate GNP, GDP Interpret business cycles Students will analyze recent distribution trends	A chart that demonstrates the flow of goods and services in the US economy Written evaluation of role play Graph that demonstrates recent trends and income distribution in the U.S.

State Standards	ESLR	Content	Skills	Suggested Activities	Suggested Assessments
		Income distribution Consumer Protection Laws and Policies		Role play economic advisors to the President	
12.2.7 12.2.9 12.6	Global Economics Students will describe international trade, key issues involved and the impact of the global economy on America.	Domestic and Global Competition Comparative and Absolute advantage Trade Policy Trends Balance of Trade Foreign Exchange Mobility of capital	Compare and contrast Interpret data Oral communication Graphing Evaluation Analysis	Compare and contrast trade balances of various countries Debate free trade vs. restricted trade Graph exchange rates and evaluate their significance Research the pros and cons of a global economy	Class and self evaluation of debate Article written on a Third World country in the global economy

Grade Twelve – Economics (One Semester)

In a one-semester course in economics, students should deepen their understanding of the economic problems and institutions of the nation and world in which they live. They should learn to make reasoned decisions on economics issues as citizens, workers, consumers, business owners and managers, and members of civic groups. In this capstone course, students should add to the economics understanding they acquired in previous grades and apply tools (such as graphs, statistics and equations) learned in other subject fields to their understanding of our economic system.

This course primarily is a course in social science, enriching students' understanding of the operations and institutions of economic systems, rather than a course in household or business management or budgeting. Throughout this course, measurement concepts and methods should be introduced; for example, tables, charts, graphs, ratios, percentages, and index numbers. Behind every graph is an equation or set of equations that specifies a relationship among economic variables. Thus, to master the economic method, students must use graphs and understand, at the appropriate level, the mathematical equations they represent.

Fundamental Economic Concepts

The basic economic problem facing all individuals, groups, and nations is the problem of scarcity. Scarcity results from the limited natural resources, such as water, land and minerals that are available to produce the variety of goods and services that we need and want. Because of scarcity, choices must be made concerning how to utilize limited resources. At the same time, students should understand how the market economy spurs innovation and growth, tends towards cycles, and distributes income and wealth. In this unit, students should learn the difference between the final goods and services that any economy produces and the productive resources, including human resources, capital goods, and natural resources that are used to produce these final goods and services. They should learn and then apply a reasoned approach to making decisions.

Economic reasoning relies in part on mastering cost-benefit analysis. Through this skill, students will be able to explain actions of individuals in product and labor markets. Using cost-benefit analysis, individuals are able to weigh alternatives, compare costs and benefits, and decide using economic reasoning. A consumption decision would compare the benefits and costs of buying one product compared to another, or buying on credit, or not buying at all. A production decision would compare the benefits and costs of producing one product compared to another, or producing more or less of one product, or not producing. An educational decision would compare the benefits and costs of college, technical school, apprenticeship or immediate entrance into the workforce. Through cost-benefit analysis, students will be able to understand strengths and weaknesses of decisions made by individuals in the market. Economic reasoning helps students apply analytical economic skills to the decisions they are making and will be making and to recognize the constraints and opportunities of the U.S. economy in the world economy of the twenty-first century.

The basic choices that producers in any economic system must make involve determining what goods and services to produce, how to produce these goods and services, and for whom to produce them. Students should be introduced to our largely free market system that uses prices and levels of supply and demand in markets to answer these basic questions.

Households, including individuals, demand the goods and services that give them the most satisfaction, given their income and the price of these goods. Business firms try to maximize profits by supplying at the least cost the goods and services that households demand. Businesses allocate factors of production based on the demand for the goods and services they produce. This "derived demand" for factors is a major determinant of distribution of income in a market economy.

Economic efficiency requires that individuals and business firms specialize in the performance of particular tasks or the manufacture of particular goods and that they exchange their surpluses of goods for the goods they want to consume. Money was developed to facilitate this exchange. Thus, specialization, exchange, and money are the results of our interdependence, which, in turn, results in efficient production of the final goods and services of our economy.

Historical Interpretation 6. Students conduct cost/benefit analyses and apply basic economics indicators to analyze the aggregate economic behavior of the U.S. economy.

12.1 Students understand common economic terms and concepts and economic reasoning.

Comparative Economic Systems

A market system is characterized by decentralized decision-making on the part of households and businesses. In this free enterprise system, most of the goods and services are produced by the private sector, by firms owned and operated for profit. The decisions of individuals influence market prices that reflect the preferences of all participants and that act as signals to producers and as rationing devices. Thus, to answer the basic economic questions, decision makers in the market system rely primarily on the preferences and choices of the members of the society.

Students should learn about alternatives to the market system, such as traditional and command economies, and learn how decisions in these economies rely on mechanisms other than the choices of the members of these societies. Students should learn that no real world economy is a pure form of any of these economies. They should understand that decentralized decision making in a market is most evident in the economy of the United States, Canada and Western Europe, whereas elements of command economy are most evident in the Soviet Union. They should learn that economic systems change to reflect changes in values or technology and in the role of the market and the government. Students should study the strengths and weaknesses of each society and its values regarding the objectives of an economic system.

Microeconomics

In this unit, students should examine the operations of markets. They should learn how prices and the quantity demanded and supplied are determined in the markets for goods and factors of production. They should study how prices provide information and incentives and serve to ration limited resources. Students should learn about the interaction of the demand schedule and the curve which represents it together with the supply schedule and its graphic representation in determining prices and output. They also should learn what events lead to changes in demand and supply and how these changes influence prices.

Students should learn about alternative forms of business organizations, including single proprietorships, partnerships, and corporations, and their impact on the economy. They should consider in detail the operations of the labor market. Students should analyze the determinants of the level of employment and wages in different occupations and the impact of unionization, the minimum wage, unemployment insurance, and the effects of international mobility of capital and labor.

Students should focus specifically on the distribution of income in our economy, the differing costs of living across the United States, and the determination of income and cost distribution. Students should be aware of alternative measures of this distribution and the methods that federal, state, and local governments use to influence income distribution through transfer payments and taxes.

Our market economy is characterized by different market structures, including monopolies and oligopolies, and various economic principles, such as monopolistic competition and perfect competition. Students should learn how less than perfectly competitive markets operate and examine their impact on the economy. They should also learn that pure market economy has disadvantages, including its failure to provide goods and services that are consumed jointly or that benefit people who do not have to pay for them directly. These goods and services include clean air, education, national defense, and roads. Students should consider the role of the government in a largely free market economy. Students should examine other responsibilities of the government, including establishing trade regulations and price controls.

12.2 Students analyze the elements of America's market economy in a global setting.

12.3 Students analyze the elements of the U.S. labor market in a global setting.

Historical Research, Evidence, and Point of View 4. Students construct and test hypotheses; collect, evaluate, and employ information from multiple primary and secondary sources, and apply it in oral and written presentations.