

Economic Standards and Student Learning Objectives

Content Standard 1 – Students will understand that productive resources are limited. Therefore, people cannot have all the goods and services they want; as a result, they must choose some things and give up others.

- 4.3 Goods are objects that can satisfy people's wants.
Objective: Students will identify goods they consume.
- 4.7 The opportunity cost of a choice is the value of the best alternative given up.
Objective: Students will be able to identify the opportunity cost of a decision.
- 4.8 People whose wants are satisfied by using goods and services are called consumers.
Objective: Students will be able to identify the consumers of their business.
- 4.9 Productive resources are the natural resources, human resources, and capital goods available to make goods and services.
Objective: Students will identify examples of natural resources, human resources, and capital goods used to create the products sold in their businesses.
- 4.14 Entrepreneurs are people who organize other productive resources to make goods and services.
Objective: Students will identify different opportunities to become entrepreneurs in the school setting.
- 4.15 People who make goods and provide services are called producers.
Objective: Students will become producers of various goods and services.
- 8.1 Scarcity is the condition of not being able to have all the goods and services that one wants.
Objective: Students will discover ways in which scarcity can occur in a business.

Content Standard 3: Different methods can be used to allocate goods and services. People acting individually or collectively through government, must choose which methods to use to allocate different kinds of goods and services.

- 8.1 Scarcity requires the use of some distribution method, whether the method is selected explicitly or not.
Objective: Students will be able to determine who decides the distribution method in each economic system.
- 8.2 There are essential differences between a market economy, in which allocations result from individuals making decisions as buyers and sellers, and a command economy, in which resources are allocated according to central authority.
Objective: Students will be able to distinguish between a market economy, a command economy and a traditional economy.
- 8.3 People in all economies must address three questions: What goods and services will be produced? How will these goods and services be produced? Who will consume them?
Objective: Students will be able to determine who answers these questions in each economic system.

Content Standard 4: People respond predictably to positive and negative incentives.

- 8.1 Responses to incentives are predictable because people usually pursue their self-interest.
Objective: Students will be able to determine the incentives in the book, The Lorax.
- 8.2 Changes in incentives cause people to change their behavior in predictable ways.
Objective: Students will brainstorm a list of incentives that might make the Onceler, a character in the book, The Lorax, change his ways.
- 8.3 Incentives can be monetary or non-monetary.
Objective: Students will be able to label the items on the list as either monetary or non-monetary.

Content Standard 5: Voluntary exchange occurs only when all participating parties expect to gain. This is true for trade among individuals or organizations with a nation, and among individuals or organizations in different nations.

- 4.1 Exchange is trading goods and services with people for other goods and services or for money.
Objective: Students will be able to identify an exchange made in their businesses.
- 4.2 The oldest form of exchange is barter – the direct trading of goods and services between people.
Objective: Students will be able to verbalize what item they bartered with and for.
- 4.3 People voluntarily exchange goods and services because they expect to be better off after the exchange.
Objective: Students will be able to demonstrate how they are better off after making a trade.

Content Standard 7: Markets exist when buyers and sellers interact. This interaction determines market prices and thereby allocates scarce goods and services.

- 4.2 A market exists whenever buyers and sellers exchange goods and services.
Objective: Students will be able to describe several markets.

Content Standard 9 – Competition among sellers lowers costs and prices, and encourages producers to produce more of what consumers are willing and able to buy. Competition among buyers increases prices and allocates goods and services to those people who are willing and able to pay the most for them.

- 4.1 Competition takes place when there are many buyers and sellers of similar products.
Objective: Students will identify competitors located in the school.

Content Standard 13 – Students will understand that income for most people is determined by the market value of the productive resources they sell. What workers earn depends, primarily, on the market value of that they produce and how productive they are.

- 4.1 Labor is a human resource used to produce goods and services.
Objective: Students will identify the human abilities necessary to produce various goods and services.

4.2 People can earn income by exchanging their human resources (physical or mental work) for wages or salaries.

Objective: Students will determine their salary.

Content Standard 14: Entrepreneurs are people who take the risks of organizing productive resources to make goods and services. Profit is an important incentive that leads entrepreneurs to accept the risks of business failure.

4.1 Entrepreneurs are individuals who are willing to take risks, to develop new products, and start new businesses. They recognize opportunities, like working for themselves, and accept challenges.

Objective: Students will be able to identify themselves as entrepreneurs.

8.3 Entrepreneurs and other sellers earn profits when buyers purchase the product they sell at prices high enough to cover the costs production.

Objective: Students will be able to determine if they made a profit.