

C. 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.

Students will be able to use this knowledge to: Identify what they gain and what they give up when they make choices.

Benchmarks, Grade 4

10. *Natural Resources such as land are “gifts of nature”; they are present without human intervention. Students identified the countries that are the major oil producers of the world and what countries are in OPEC.*

11. *Human resources are the quantity and quality of human effort directed toward producing goods and services. The students identified goods and services needed to live in the Yanomami society and how they differed from those in our society.*

Benchmarks, Grade 8

1. *Scarcity is the condition of not being able to have all of the goods and services that one wants. It exists because human wants for goods and services exceed the quantity of goods and services that can be produced using all available resources. Students watched every day as the price of gas increased due to, among other things, scarcity and to the inability of the gulf refineries to produce gasoline from petroleum after the hurricanes also causing scarcity.*

2. *Like individuals governments and societies experience scarcity because human wants exceed what can be made from all available resources. Students had many discussions that arose from various news items about petroleum alternatives such as gasoline made from corn or sugar cane, about wind power, solar power, hybrid cars, and many other ideas that they had heard about.*

Content Standard 2

Students will understand that effective decision-making requires comparing the additional costs of alternatives with the additional benefits. Most choices involve doing a little more or a little less of something: few choices are “all or nothing” decisions. Students will be able to use this knowledge to make effective decisions as consumers, producers, savers, investors, and citizens.

Benchmarks, Grade 8

1. *To determine the best level of consumption of a product people must compare the additional benefits with the additional costs of consuming a little more of a little less.*

Students had to discuss with their parents what they had to give up in order to pay for the increased cost of gasoline. We discussed what their families were doing or what the students themselves were doing if they had to pay for their own gas.

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. Students will be able to use this

knowledge to evaluate different methods of allocating goods and services by comparing the benefits and costs of each method.

Benchmarks, Grade 12

1. Comparing the benefits and costs of different allocation methods in order to choose the method that is most appropriate for some specific problem can result in more effective allocations and a more effective over allocation system. Students studied OPEC and the concept of a CARTEL as opposed to other ways of ways of allocation of resources. The Cartel concept was not very appealing to them as a way of controlling THEIR most precious resource!

Content Standard #5

Voluntary exchange occurs only when all participating parties expect to gain. This is true for trade among individuals or organizations within a nation, and among individuals or organizations in different nations. Students will be able to use this knowledge to negotiate exchanges and identify the gains to themselves and others. Compare the benefits and costs of policies that alter trade barriers between nations such as tariffs and quotas.

Benchmarks, Grade 8

4. Imports are foreign goods and services that are purchased from sellers in other nations. Students identified all countries in OPEC and studied their percent of petroleum sold in OPEC.

Benchmarks, Grade 12

2. When imports are restricted by public policies, consumers pay higher prices and job opportunities and profits in exporting firms decrease. The students found that not only public policy could restrict imports, but also cartels could restrict imports and exports and increase prices very easily.

Content Standard #7

Markets exist when buyers and sellers interact. This interaction determines market prices and thereby allocates scarce goods and services. Students will be able to use this knowledge to identify markets in which they have participated as a buyer and as a seller and describe how the interaction of all buyers and sellers influences prices. Also, predict how prices change when there is either a shortage or surplus of the product available.

Benchmarks, Grade 8

3. The market clearing or equilibrium price for a good or service is the one price at which quantity supplied equals quantity demanded. Students were given different scenarios in which they had to decide whether to move the demand or supply curve and in a certain direction in order to find the new equilibrium price for petroleum.

4. If a price is above the market clearing price, it will fall, causing sellers to produce less and buyers to purchase more, if it is below the market clearing price, it will rise, causing sellers to produce more and buyers to purchase less. After listening to an explanation of supply and demand on Virtual Economics, the students had to be able to talk this through on a supply and demand curve using the candy store example from the video in Virtual Economics.

Content Standard #15

Investment in factories, machinery, new technology, and in the health, education, and training of people can raise future standards of living. Students will be able to use the knowledge to predict the consequences of investment decisions made by business and governments.

Benchmarks, Grade 12

1. *Economic growth is a sustained rise in a nation's production of goods and services. It results from investments in human and physical capital, research and development, and technological change, and from improved institutional arrangements and incentives.*

Students read in their packets and learned in the films about the higher human capital and standard of living of the Venezuelan citizens compared to the rest of Central and South America and how it was brought about and sustained by the production of petroleum. They also learned about the programs initiated by Hugo Chavez to improve the lives of the poor through the use of Venezuelan petroprofits.

2. *Historically, economic growth has been the primary vehicle for alleviating poverty and raising and raising standards of living. (see student info for #1)*

Content Standard #16

There is an economic role for government in a market economy whenever the benefits of a government policy outweigh its costs. Governments often provide for national defense, address environmental concerns, define and protect property rights, and attempt to make markets more competitive. Most government policies also redistribute income. Students will be able to use this knowledge to identify and evaluate the benefits and costs of alternative public policies, and assess who enjoys the benefits and who bears the costs.

Benchmarks, Grade 12

8. *Governments provide an alternative method to markets for supplying goods and services when it appears that the benefits to society of doing so outweigh the costs to society. Not all individuals will bear the same costs or share the same benefits of those policies. (same as #2)*

9. *A government policy to correct a market imperfection is not justified economically if the cost of implementing it exceeds its expected net benefits. The Students learned that Venezuela offers free University to all Venezuelans and studied the various food, housing and medical programs that are being offered to the poor under the Chavez government.*