

Strand: Economic Fundamentals

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Content Standard 1: Students shall examine *scarcity* and choice.

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| EF.1.E.1 | <p>Explain the role <i>scarcity</i> and <i>opportunity cost</i> plays in making choices using the <i>PACED decision making model</i></p> <ul style="list-style-type: none"> • individuals • businesses • governments |
| EF.1.E.2 | <p>Describe the use of <i>cost/benefit analysis</i> in making choices</p> <ul style="list-style-type: none"> • individuals • businesses • governments |
| EF.1.E.3 | <p>Explain the concepts of <i>tradeoffs</i> (e.g., budget, career choices, earnings potential, education and/or training)</p> |
| EF.1.E.4 | <p>Discuss individual or societal economic choices, which are guided by <i>incentives</i> and based on rational self-interest (e.g., employee benefits, tax <i>incentives</i>)</p> |

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Content Standard 2: Students shall examine the roles of economic systems in the use and distribution of resources.

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| EF.2.E.1 | <p>Analyze the four <i>factors of production</i></p> <ul style="list-style-type: none"> • natural resources • human resources • capital resources • <i>entrepreneurship</i> |
| EF.2.E.2 | <p>Examine the three basic economic questions that must be answered by every economic system</p> <ul style="list-style-type: none"> • What <i>goods</i> and <i>services</i> are to be produced and in what quantities? • How will the <i>goods</i> and <i>services</i> be produced? • For whom will the <i>goods</i> and <i>services</i> be produced? |
| EF.2.E.3 | <p>Compare and contrast the four major economic systems</p> <ul style="list-style-type: none"> • <i>command economy</i> • <i>market economy</i> • <i>mixed economy</i> • <i>traditional economy</i> |

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Content Standard 3: Students shall analyze the reasons individuals, businesses, and governments trade.

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| EF.3.E.1 | <p>Explain the role of <i>specialization</i> and <i>voluntary exchange</i> in the marketplace (e.g., <i>absolute advantage</i>, <i>comparative advantage</i>)</p> |
| EF.3.E.2 | <p>Examine trade barriers</p> <ul style="list-style-type: none"> • <i>tariffs</i> • <i>quotas</i> • <i>embargos</i> • <i>preservation of standards (protectionism)</i> • <i>subsidies</i> |
| EF.3.E.3 | <p>Explain the effect of exchange rates on global purchasing power</p> |
| EF.3.E.4 | <p>Summarize global patterns of economic activity</p> <ul style="list-style-type: none"> • world trading partners • trading blocs • regional trade agreements • regional trade organizations • free trade |

Strand: Microeconomics

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Content Standard 4: Students shall assess the role of *supply* and *demand*.

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| MI.4.E.1 | Illustrate the effects of <i>supply</i> and <i>demand</i> in determining <i>equilibrium price</i> and quantity using a <i>supply curve</i> and a <i>demand curve</i> |
| MI.4.E.2 | Demonstrate changes in <i>supply</i> and <i>demand</i> that influence <i>equilibrium price</i> and quantity using a <i>supply curve</i> and <i>demand curve</i> <ul style="list-style-type: none">• shifts in <i>supply</i> and <i>demand</i>• changes in <i>quantity supplied</i> and <i>quantity demanded</i>• <i>shortages</i> and <i>surpluses</i> |
| MI.4.E.3 | Describe the signals sent to buyers and sellers by price (e.g., cost, availability) |
| MI.4.E.4 | Determine the effect of consumers on production in a <i>market economy</i> |

Strand: *Microeconomics*

Content Standard 5: Students shall analyze the organization of business firms in a *market economy*.

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| MI.5.E.1 | Compare and contrast major forms of business organizations <ul style="list-style-type: none">• <i>sole proprietorship</i>• <i>partnership</i> (e.g., limited, general)• <i>corporation</i> (e.g., public, private, <i>hybrid business</i>)• <i>non-profit</i> |
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Strand: *Microeconomics*

Content Standard 6: Students shall analyze various types of market structures.

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| MI.6.E.1 | Compare and contrast different models of market structures <ul style="list-style-type: none">• <i>perfect competition</i>• <i>monopolistic competition</i>• <i>oligopoly</i>• <i>monopoly</i>• <i>cartel</i> |
| MI.6.E.2 | Describe the role that the stock market plays in the economy of the United States |

Strand: *Microeconomics*

Content Standard 7: Students shall examine the importance of increasing productivity in a *market economy*.

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| MI.7.E.1 | Distinguish between <i>fixed costs</i> and <i>variable costs</i> |
| MI.7.E.2 | Analyze the influence improved <i>factors of production</i> have on the productivity of individual industries (e.g., technology, education, training, <i>specialization</i> , <i>division of labor</i>) |

Strand: Macroeconomics

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Content Standard 8: Students shall examine measurements of economic performance.

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| MA.8.E.1 | Analyze the following economic indicators used to measure economic performance <ul style="list-style-type: none"> • <i>Gross Domestic Product (GDP)</i> • <i>Gross Domestic Product per capita</i> • <i>Real Gross Domestic Product</i> • unemployment rates • <i>Consumer Price Index (CPI)</i> (e.g., <i>inflation</i>) • stock market |
| MA.8.E.2 | Compare and contrast the causes and types of unemployment (e.g., <i>underemployment, outsourcing, off-shoring, cyclical unemployment, structural unemployment, frictional unemployment, seasonal unemployment</i>) |
| MA.8.E.3 | Explain stages of the business cycle <ul style="list-style-type: none"> • <i>peak</i> • <i>trough</i> • <i>expansion</i> • <i>contraction</i> (e.g., <i>recession, depression</i>) |

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Content Standard 9: Students shall analyze roles that governments play in the economy.

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| MA.9.E.1 | Discuss the roles of governments in the economy <ul style="list-style-type: none"> • establish and enforce private property rights and the law • deal with external costs and benefits • ensure market competition • stabilize the economy • consumer protection • promote economic security • provide public <i>goods</i> and <i>services</i> • regulatory agencies • redistribution of income |
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Strand: *Macroeconomics*

Content Standard 10: Students shall evaluate *monetary policy* and *fiscal policy* and their relationship to economic stability and growth.

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| MA.10.E.1 | Compare and contrast the functions of money in a <i>market economy</i> <ul style="list-style-type: none"> • <i>medium of exchange</i> • <i>measure of value</i> • <i>store of value</i> |
| MA.10.E.2 | Assess the characteristics of money in a <i>market economy</i> <ul style="list-style-type: none"> • <i>portability</i> • <i>durability</i> • <i>divisibility</i> • <i>limited supply</i> |
| MA.10.E.3 | Examine the different types of financial institutions in the United States (e.g., banks, credit unions, investment firms, <i>cooperatives</i>) |
| MA.10.E.4 | Describe the roles and functions of banks and financial institutions in the United States (e.g., saving, checking, investment, loans, trust) |
| MA.10.E.5 | Describe the organization and roles of the Federal Reserve system <ul style="list-style-type: none"> • Federal Reserve organizational structure • <i>monetary policy</i> (e.g., open market operations, discount rate, reserve requirement) |
| MA.10.E.6 | Discuss the role of <i>fiscal policy</i> in setting and maintaining economic stability and growth (e.g., <i>expansionary, contractionary</i>) |
| MA.10.E.7 | Illustrate the major sources of government revenue (e.g., taxes, fees, interest, government securities) |
| MA.10.E.8 | Illustrate the major expenditures of tax revenues <ul style="list-style-type: none"> • national level (e.g., national security, social programs, education, civil services) • state level (e.g., social programs, education, civil services) • local level (e.g., civil services, education) |
| MA.10.E.9 | Explain different types of taxes <ul style="list-style-type: none"> • <i>progressive tax</i> • <i>regressive tax</i> • <i>proportional tax</i> |
| MA.10.E.10 | Distinguish between <i>budget deficit</i> and <i>national debt</i> |

Strand: Personal Financial Management

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Content Standard 11: Students shall analyze career choices, education, skills, and economic conditions affecting earnings potential.

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| PFM.11.E.1 | Compare and contrast career options including entrepreneurial activities using available resources (e.g., Occupational Outlook Handbook, Internet, guest speaker, job shadowing) |
| PFM.11.E.2 | Interpret factors affecting income <ul style="list-style-type: none"> • career choices and potential income • education and training |
| PFM.11.E.3 | Analyze the costs and benefits of personal choices in education and training that affect earnings potential <ul style="list-style-type: none"> • <i>intrinsic</i> • <i>extrinsic</i> |
| PFM.11.E.4 | Evaluate the importance of interpersonal skills in the workplace (e.g., workforce readiness skills, ethics) |

Strand: Personal Financial Management

Content Standard 12: Students shall evaluate the impact of credit on personal financial decisions.

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| PFM.12.E.1 | Compare and contrast forms of credit <ul style="list-style-type: none"> • loans (e.g., home, car, education, personal) • credit cards |
| PFM.12.E.2 | Evaluate the costs and benefits of using credit <ul style="list-style-type: none"> • interest rates • fees and penalties • rewards |
| PFM.12.E.3 | Explain factors that affect credit worthiness <ul style="list-style-type: none"> • credit score and credit report • debt management (e.g., credit counseling, debt consolidation, bankruptcy) • credit protection laws • identity protection (e.g., identity theft, <i>phishing</i>, scams) |
| PFM.12.E.4 | Explain ways to avoid and correct credit problems (e.g., credit counseling, identity protection, debt consolidation, bankruptcy) |

Strand: Personal Financial Management

Content Standard 13: Students shall evaluate wealth management choices available to individuals.

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| PFM.13.E.1 | Discuss the importance of establishing personal financial goals (e.g., long term, short term) |
| PFM.13.E.2 | Identify reasons for saving and investing (e.g., education, emergency, down payment, retirement) |
| PFM.13.E.3 | Compare and contrast methods of saving and investing (e.g., certificates of deposit, interest bearing savings account, individual retirement account, pension plans, stocks, bonds, mutual funds, real estate, annuities) |
| PFM.13.E.4 | Explain the importance of investing to build wealth and meet financial goals (e.g., <i>Rule of 72</i> , <i>time value of money</i> , <i>70/20/10 rule</i> , <i>compound interest</i> , <i>simple interest</i>) |
| PFM.13.E.5 | Evaluate insurance as a <i>risk management</i> strategy to protect against financial loss (e.g., auto, health, life, homeowners, renters, disability, liability) |