

Business and Finance Technology Education Frameworks
Economics

Content Standard 1 – Scarce Resources			
The decision-making process of the allocation of scarce resources.			
The student will be able to:	Beginning	Intermediate	Advanced
Assess opportunity costs and trade-offs involved in making choices about how to use scarce and economic resources.	<p>Learner Expectation</p> <p>Define and give examples of economic wants and how they are satisfied.</p> <p>Demonstrate how resources (factors of production) may be used to satisfy economic wants.</p> <p>*Define scarcity and why it requires individuals, governments and societies to make choices.</p> <p>Define and give examples of the opportunity cost of personal choices.</p>	<p>Learner Expectation</p> <p>Explain the concept of marginal benefits vs. marginal cost and how it relates to rational decision making.</p> <p>Evaluate the trade-offs of alternatives for solving societal problems according to economic goals (e.g., economic growth, equity, efficiency, security, employment, stability and freedom).</p>	<p>Learner Expectation</p> <p>Suggest what a nation or business should do if economic resources are underutilized.</p> <p>Recommend what a nation or business could do to stimulate economic growth.</p> <p>Explain the effects of leading economic indicators on a personal financial plan.</p>

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Content Standard 2 – Economic Systems Basic features of different economic systems.			
The student will be able to:	Beginning	Intermediate	Advanced
<p>Strand 1</p> <p>Explain why societies develop economic systems, identify the basic features of different economic systems and analyze the major features of the U.S. economic system.</p>	<p>Learner Expectation</p> <p>Identify why scarcity necessitates an economic system.</p> <p>Describe characteristics of a market system (e.g., profit, competitive markets and private ownership of property).</p> <p>Identify questions that might be answered by an economic system (e.g., what is to be produced, how it is to be produced and for whom it is to be produced).</p>	<p>Learner Expectation</p> <p>*Compare and contrast the different types of economic systems (market and command).</p> <p>Illustrate the relationship between individual households, businesses and government (circular flow of goods).</p> <p>Explain the roles of the entrepreneur (e.g., innovator, risk taker) as a driving force in the U.S. economy.</p> <p>Analyze existing economies and how they answer the three questions every economic system must answer.</p> <p>*Explain how change in one component of the circular flow of economic activity affects other components.</p>	<p>Learner Expectation</p> <p>Analyze how economic systems, resources and culture affect each other.</p> <p>Analyze how wages and prices are determined in command and market economies.</p> <p>Critique command, mixed and market economies based on the U.S. economic goals of freedom, efficiency, equity, security, employment, stability and growth.</p>

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Content Standard 3 – Economic Institutions Economic institutions and incentives in the U.S. economy.			
The student will be able to:	Beginning	Intermediate	Advanced
Analyze the role of core economics institutions and incentives in the U.S. economy.	<p>Learner Expectation</p> <p>Describe the role of profit in our economy and the relationship of profit to risk and uncertainty.</p> <p>Identify and analyze why private ownership, making individual choices and limited government involvement are important concepts in all areas of the U.S. market economy.</p>	<p>Learner Expectation</p> <p>*Describe different kinds of economic institutions in the U.S. economy (e.g., households, businesses, financial institutions, government agencies, labor unions and nonprofit organizations).</p> <p>Explain the purpose of incentives and disincentives in the U.S. economy and give examples of each.</p> <p>Explain the roles of profit and competition in a market-oriented economy.</p>	<p>Learner Expectation</p> <p>Provide illustrations of how the market system requires a give-and-take between institutions and individuals.</p> <p>Analyze ways in which a society’s allocation of resources will be affected by its laws, public policy and taxation.</p> <p>Analyze how certain historical events have influenced the banking system and other financial institutions.</p> <p>Identify the major functions of the public sector in a market economy.</p>

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Content Standard 4 – Markets and Prices U.S. and global markets and prices.			
The student will be able to:	Beginning	Intermediate	Advanced
Analyze the role of markets and prices in the U.S. and global economy.	<p>Learner Expectation</p> <p>Describe how relative price is used to allocate scarce resources.</p> <p>Describe and give examples of markets for goods and services in the U.S. and global economy.</p> <p>Describe how relative prices affect the buying and selling decisions of consumers and producers.</p>	<p>Learner Expectation</p> <p>Explain how relative prices are used to ration limited resources, goods and services in the U.S. and global economy.</p> <p>*Explain and give illustrations of the law of demand, law of supply and equilibrium price.</p> <p>Explain and illustrate how the equilibrium price adjusts according to changes in supply or demand.</p> <p>Explain and illustrate how a market reacts to shortages and surpluses with or without government intervention.</p> <p>Describe the concept of elasticity and inelasticity.</p> <p>Identify the effect of changes in the relative price of a substitute or complementary good on supply and demand.</p>	<p>Learner Expectation</p> <p>Calculate the elasticity coefficient for price changes of various goods and services.</p>

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Content Standard 5 –Market Structures Market structures in the U.S. economy.			
The student will be able to:	Beginning	Intermediate	Advanced
Analyze the different types of market structures and the effect they have on the price and the quality of the goods and services produced.	<p>Learner Expectation</p> <p>Discuss how the competition of buyers and sellers determines relative prices for products in markets, as well as profits for sellers.</p> <p>Describe how competition in a purely competitive market encourages the production of higher quality goods and services.</p>	<p>Learner Expectation</p> <p>*Identify the basic characteristics of monopoly, monopolistic competition, and oligopoly and give examples of each.</p> <p>Describe how collusion affects market competition.</p> <p>Discuss the major barriers to new firms entering a market and how the barriers affect the level of competition in an industry.</p> <p>Examine U.S. laws and government regulations that are designed to impact competition.</p>	<p>Learner Expectation</p> <p>Compare and contrast the different types of market structures.</p>

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Content Standard 6 – U.S. Government The role of the U.S. government in an economic system.			
The student will be able to:	Beginning	Intermediate	Advanced
Analyze the role of government in economic systems, especially the role of government in the U.S. economy.	<p>Learner Expectation</p> <p>Provide examples of how individuals pay for public goods and services through taxes and fees.</p> <p>Define money and where it comes from.</p> <p>Discuss why and how money is used in an economy.</p> <p>Differentiate between earned and unearned income.</p>	<p>Learner Expectations</p> <p>Explain the role of government taxation and regulation and its impact on business, society and the individual in an economy.</p> <p>Differentiate between local, state and federal tax receipts and expenditures.</p> <p>Evaluate the equity of taxes based on income, wealth and consumption.</p> <p>*Explain how government’s redistribution of income through taxation, spending and assistance/entitlement program affects the well being of people and businesses in an economy.</p> <p>Identify monetary and fiscal policies used by the federal government to regulate the economy.</p>	<p>Learner Expectation</p> <p>Analyze how taxes serve as an incentive or disincentive to individuals and institutions.</p> <p>Describe why the Federal Reserve System and the federal government have limited ability to control the total amount of money in the U.S. economy.</p> <p>Critique the ability of fiscal and monetary policies to influence the level of economic activity in the U.S. and abroad.</p> <p>Identify and evaluate how stabilizers (e.g., unemployment compensation, welfare benefits, Social Security, subsidies and tax rates) affect economies in transition.</p> <p>Analyze the short-term and long-term effects of deficit spending on the economy</p>