

HISTORY/SOCIAL SCIENCE

3-Economics

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Grade: 12 [Economics]

1. Students will demonstrate an understanding of scarcity as the basic economic problem and identify choice as its consequence. [CS1]*

12.1.1. Define scarcity as the condition of not being able to have all the goods and services one wants because human wants for goods and services exceed the quantity of goods and services that can be produced using all available resources.

12.1.2. Identify scarcity as the basic economic problem.

12.1.3. Explain how scarcity effects the four major resource categories (land, labor, capital, and entrepreneurship).

12.1.4. Explain the causal relationship between scarcity and the need for choices.

2. Students will demonstrate an understanding that all choices involve benefits and costs. When people choose, they accept one alternative and give up another. Deciding to make no choice is a choice and has consequences. [CS2]

12.2.1. Explain that choices involve trading off the expected value of one opportunity against the expected value of its best alternative.

12.2.2. Explain that the choices people make have both present and future consequences.

12.2.3. List the consequences of personal decisions the student has made.

12.2.4. Identify the opportunity costs of various decisions.

3. Students will demonstrate an understanding of the characteristics of different economic systems.

12.3.1. Distinguish the characteristics of a market system, a command system, and a traditional system.

12.3.2. Explain how each system answers the 3 economic questions (what to produce, how to produce, and for whom to produce).

12.3.3. Explain the circular flow of economic activity and the roles of households, businesses, and the government.

* CS = Los Angeles County Office of Education History-Social Science Third Interim Draft Challenge Standard Number for Grade 12 Economics (1997).

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4. Students will demonstrate an understanding that all choices involve benefit/cost analysis; that choices affect the decision-maker and others. [CS3]

12.4.1. Use a decision-making process to analyze the benefits and costs of personal decisions.

12.4.2. Use a decision-making process to analyze the benefits and costs of political decisions made by modern leaders.

12.4.3. Use a decision-making process to analyze the winners and losers from social decisions.

5. Students will demonstrate an understanding that, in a market economy, prices identify how scarce one good is, compared to other goods and services. Prices determine who gets what goods and services. Prices are determined by supply and demand. Profit is the incentive for entrepreneurs; competition is the regulator. [CS6]

12.5.1. Use prices to determine the relative scarcity of goods and services.

12.5.2. Explain the process by which the competition of buyers and sellers determines a market clearing price.

12.5.3. Use the law of demand to illustrate the incentives that changing prices have on buyers.

12.5.4. Use the law of supply to illustrate the incentive that changing prices have on sellers.

12.5.5. Use the law of supply and demand to predict the effect of price controls on buyers and sellers.

12.5.6. Explain the problems that exist with shortages and surpluses, and examine how these problems are resolved.

12.5.7. List the determinants of demand and predict the effect of changes in demand on prices and quantity.

12.5.8. List the determinants of supply and predict the effect of changes in supply on price and quantity.

12.5.9. Explain the role of competition in the market economy in terms of goods and services produced, quality, quantity, and price.

12.5.10. Explain the role of profit as the incentive to entrepreneurs in a market economy.

12.5.11. Explain how the elasticity of demand and supply affects the price and quantity of goods.

12.5.12. Explain the third party (external) benefactors and losers when a buyer and seller agree on the price.

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6. Students will demonstrate an understanding of marginal decision making.

12.6.1. Define marginal benefit as the change in total benefit resulting from an action; define marginal cost as the change in total cost resulting from an action.

12.6.2. Explain that people are better off doing more of an activity as long as the marginal benefit exceeds the marginal costs, and that they are better off doing less of that activity if the marginal cost exceeds the marginal benefit.

12.6.3. Apply marginal benefit/marginal cost analysis to the decisions of consumers, firms, and societies.

7. Students will demonstrate an understanding of how to classify businesses as market and business organizations.

12.7.1. Define characteristics of a business organization (proprietorships, partnerships, and corporations).

12.7.2. Differentiate limited versus unlimited liabilities,

12.7.3. Define characteristics of market organizations (monopolies, oligopolies, monopolistic competitions, and perfect competitions).

12.7.4. Examine actions of businesses in trying to create collusions and cartels in order to create monopolistic endeavor.

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8. Students will demonstrate an understanding that an economy's performance is measured by changes in such economic indicators as gross domestic product (GDP), employment and unemployment, and the price level. [CS8]

12.8.1. Distinguish between real and nominal data.

12.8.2. Define and calculate an unemployment rate, given data about the number of unemployed and the labor force.

12.8.3. Explain the significance of changes in labor market data.

12.8.4. Identify the characteristics of the four types of unemployment.

12.8.5. Define and calculate a rate of economic growth, given real GDP data for two periods.

12.8.6. Explain the significance of the rate of economic growth.

12.8.7. Define a recession and give the negative characteristics that are indicative of a recession.

12.8.8. Define and calculate the inflation rate, given data about the consumer price index or the implicit price deflator.

12.8.9. Explain the significance of the rate of inflation (beneficiaries and losers).

12.8.10. Identify the causes of inflation.

12.8.11. Label a business cycle considering the characteristics of economic growth, unemployment, and price stability.

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9. Students will demonstrate an understanding that government influences economy in both a macro and micro sense. [CS9]

12.9.1. Use supply and demand analysis to explain the impact of government intervention in markets in the forms of price floors and ceilings (for example, minimum wage and rent control).

12.9.2. Analyze government attempts to preserve competition and redistribute wealth over time (e.g., Sherman Anti-Trust Act, progressive taxation, state taxation).

12.9.3. Identify and evaluate the benefits and costs of alternative public policies; assess who enjoys the benefits and who bears the costs (e.g., taxes and government programs).

12.9.4. Explain how the costs of government policies sometimes exceed the benefits because of incentives facing voters, government officials, and government employees, or because of actions by special interest groups that can impose costs on the general public (for example, budget deficits, and the national debt).

12.9.5. Compare alternative theories of the impact of federal fiscal and monetary policies on employment output and prices.

10. Students will demonstrate an understanding of the impact that international economic cooperation has on people's lives. [CS10]

12.10.1. Differentiate the characteristics of balance of trade with balance of payment.

12.10.2. Identify the gains from voluntary exchange between a buyer and a seller in an international market (absolute versus comparative advantages).

12.10.3. Identify the businesses and workers who are most likely to gain and those most likely to lose from a particular form of economic cooperation (e.g. NAFTA).

12.10.4. Analyze and explain the impacts of tariffs, quotas, and other forms of protectionism.

12.10.5. Explain the determination of exchange rates and the impact of a strong or weak dollar on different groups in the economy.

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11. Students will demonstrate an understanding of basic securities investment skills.

12.11.1. Identify characteristics that differentiate a primary market from the secondary market.

12.11.2. Define the various characteristics of a common stock, a preferred stock, and a bond.

12.11.3. Explain the advantages and disadvantages of joining a mutual fund or hiring an investment broker.

12.11.4. Recognize the distinguishing features of the New York Stock Exchange in comparison to the NASDAQ trading system.

12.11.5. Explain the role of insider trading in the market and the necessity of public disclosure.

12.11.6. Distinguish characteristics of an index (especially the Dow Jones Industrial Average).

12.11.7. Explain the headings for a stock listing in a newspaper, and be able to analyze the stock.

12.11.8. Analyze various strategies in choosing stocks during both a bull and bear market (including researching information on the internet).

12.11.9. Apply the strategies and information in a stock simulation.

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12. Students will demonstrate an understanding of basic personal finance skills

12.12.1. Identify the characteristics of a standard resume.

12.12.2. Identify the characteristics on a pay check statement.

12.12.3. Distinguish the differences between fixed and variable expenses in a budget.

12.12.4. Explain various features of checking and saving accounts.

12.12.5. Apply the skills of writing a check, depositing a check, and balancing a check book.

12.12.6. Distinguish characteristics and features of credit cards (such as the Annual Percentage Rate, revolving credit, etc.).

12.12.7. Identify the advantages and disadvantages of investing money in a saving account.

12.12.8. Explain characteristics of home loans and car loans.