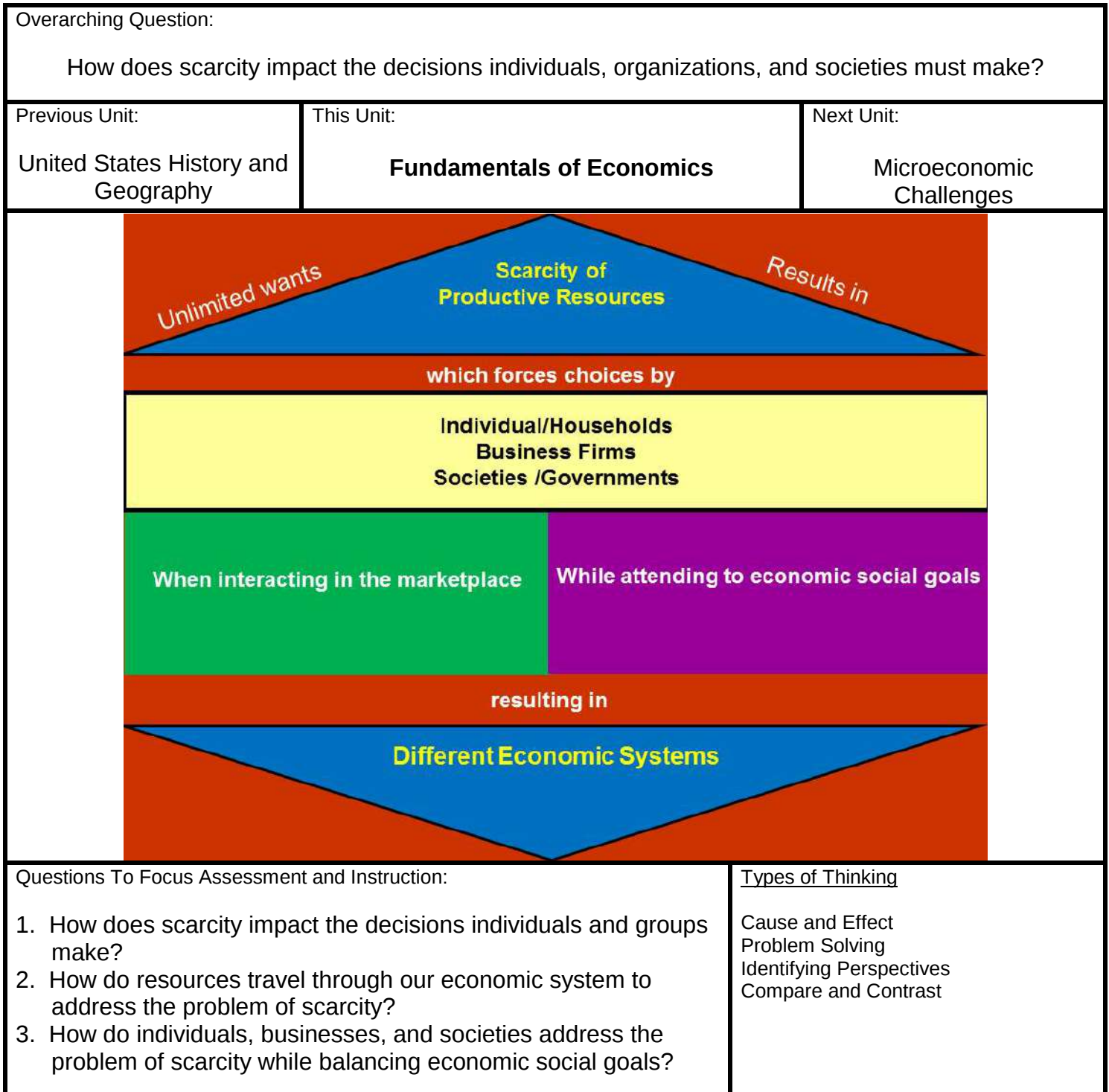


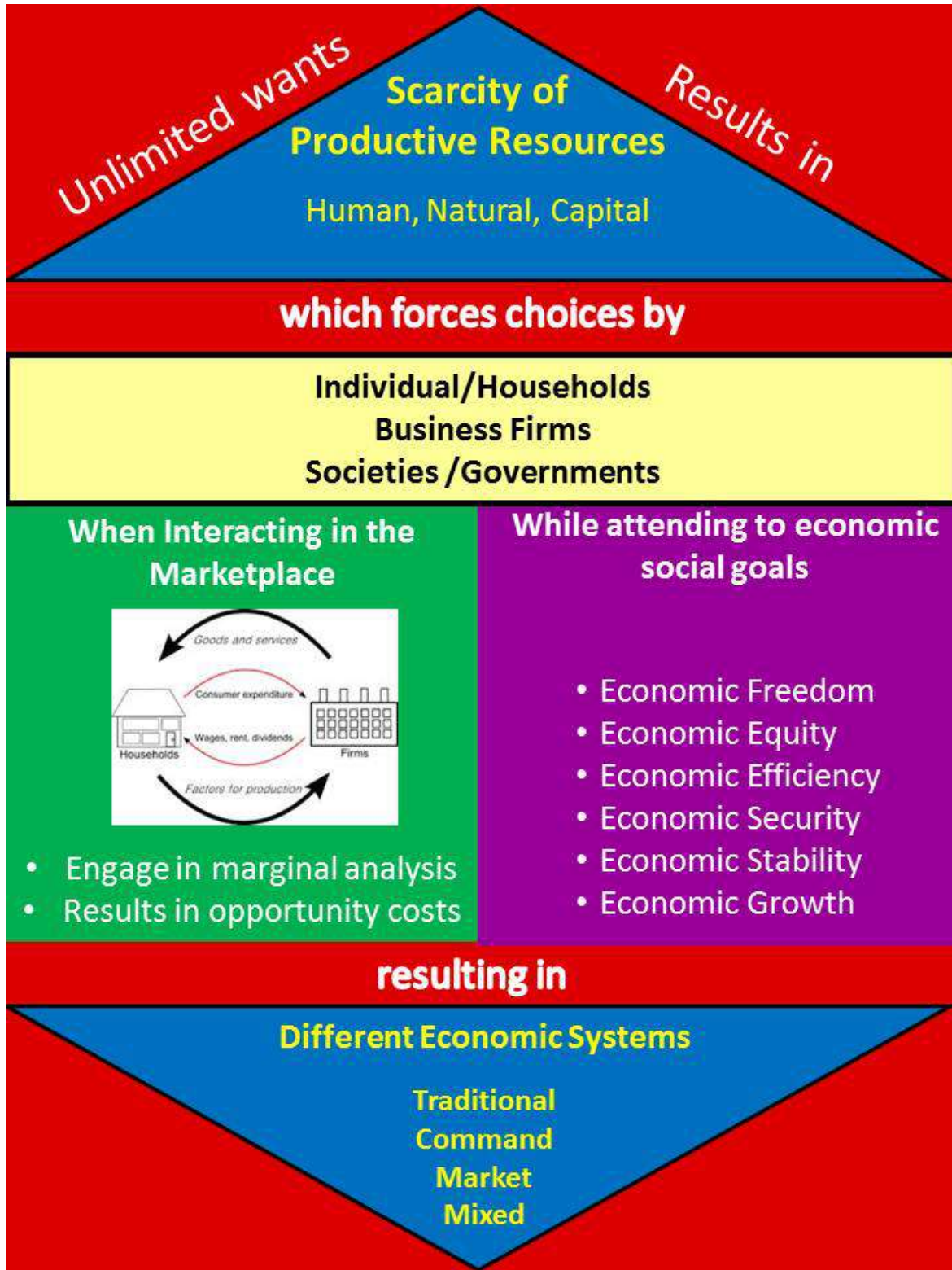
Tenth Grade: Economics

Unit 1: Fundamentals of Economics

Big Picture Graphic



Unit Graphic Organizer



Unit Abstract

This introductory unit presents students with the fundamental economic problem of scarcity and builds a foundation for how people, businesses, and societies respond to scarcity. Using students' prior knowledge and experiences with economics in earlier grades, students begin by exploring the economics as a social studies discipline. They review the difference between want and needs and apply practical examples to the concepts of scarcity, choice, and opportunity cost. Through case studies and scenarios, students apply cost/benefit analysis to identify the opportunity cost involved in making a decision and apply marginal analysis to personal decision making. In doing so, students consider how economic decisions are made "at the margins". They then broaden their understanding of economic decision making to include ethical, social, and emotional factors that appropriately complicate the decision making process in certain circumstances.

Students are then introduced to the practice of using models (production possibilities frontier and circular flow) and simulations to explain economic phenomena. Through a simulation and interactive PowerPoint, students consider ways societies can increase productivity and efficiency. As a result, students explore how the production possibilities curve/frontier represents the amount of two different goods that can be obtained by shifting resources from the production of one good to the production of the other. Students also use the production possibilities frontier model to understand the role that new technology, more resources, or specialization and international trade can play in shifting economic growth beyond current levels of production. To explore a business perspective in the decision making process, students engage in another simulation in which they act as entrepreneurs. They consider the various factors of production in allocating resources to produce goods or services and evaluate and select a business structure for their proposed business. Through the simulation, students adjust factors of production and business structures based on the governmental regulations, marketability, and the needs and wants of the local community. Additionally, students examine how the households and businesses interact in the exchange of resources and goods and services in an economy using the circular flow model and a simulation. As part of this simulation, students also consider how entrepreneurs and government regulations can affect the circular flow.

The unit concludes with an investigation of the question: How do societies respond to scarcity? Students learn that an economic system is a set of institutional arrangements and mechanisms that coordinate how people, businesses, and governments respond to the fundamental economic problem of scarcity. After introducing students to some of the ways societies have addressed the fundamental economic problem of scarcity, they then engage in a simulation in which they experience three distinct economic systems -- command, mixed, and traditional. Students analyze their experiences through small and whole class discussion, and gain an appreciation of the mixed economic system in the United States, which seeks to combine the best attributes from several different systems.

Focus Questions

1. How does scarcity impact the decisions individuals and groups make?
2. How do resources travel through our economic system to address the problem of scarcity?
3. How do individuals, businesses, and societies address the problem of scarcity while balancing economic social goals?

Content Expectations:

- E1.1.1:* Scarcity, Choice, Opportunity Costs, and Comparative Advantage – Using examples, explain how scarcity, choice, opportunity costs affect decisions that households, businesses, and governments make in the market place and explain how comparative advantage creates gains from trade.¹
- E1.1.2:* Entrepreneurship – Identify the risks, returns and other characteristics of entrepreneurship that bear on its attractiveness as a career.
- E1.2.1:* Business Structures – Compare and contrast the functions and constraints facing economic institutions including small and large businesses, labor unions, banks², and households.
- E1.2.2:* Price in the Market – Analyze how prices send signals and provide incentives to buyers and sellers in a competitive market.
- E1.2.3:* Investment, Productivity and Growth – Analyze the role investments in physical (e.g., technology) and human capital (e.g., education) play in increasing productivity and how these influence the market.
- E1.3.3:* Price, Equilibrium, Elasticity, and Incentives – Analyze how prices change through the interaction of buyers and sellers in a market including the role of supply, demand, equilibrium, elasticity, and explain how incentives (monetary and non-monetary) affect choices of households and economic organizations.
- E1.4.1:* Public Policy and the Market – Analyze the impact of a change in public policy (such as an increase in the minimum wage, a new tax policy, or a change in interest rates) on consumers, producers, workers, savers, and investors.
- E1.4.2:* Government and Consumers – Analyze the role of government in protecting consumers and enforcing contracts, (including property rights), and explain how this role influences the incentives (or disincentives) for people to produce and exchange goods and services.
- E1.4.4:* Functions of Government – Explain the various functions of government in a market economy including the provision of public goods and services, the creation of currency, the establishment of property rights, the enforcement of contracts, correcting for externalities and market failures, the redistribution of income and wealth, regulation of labor (e.g., minimum wage, child labor, working conditions), and the promotion of economic growth and security.
- E1.4.5:* Economic Incentives and Government – Identify and explain how monetary and non-monetary incentives affect government officials and voters and explain how government

¹ The comparative advantage portion of this expectation will be more fully addressed later in the course in the unit entitled "The Global Economy".

² The banking portion of this expectation will be addressed in a subsequent unit "Role of Government."

policies affect the behavior of various people including consumers, savers, investors, workers, and producers.

- E2.1.1:* Income – Describe how individuals and businesses earn income by selling productive resources.
- E2.1.2:* Circular Flow and the National Economy – Using the concept of circular flow, analyze the roles of and the relationships between households, business firms, financial institutions, and government and nongovernment agencies in the economy of the United States.
- E2.2.1:* Federal Government and Macroeconomic Goals – Identify the three macroeconomic goals of an economic system (stable prices, low unemployment, and economic growth).
- E3.1.1:* Major Economic Systems – Give examples of and analyze the strengths and weaknesses of major economic systems (command, market and mixed), including their philosophical and historical foundations (e.g., Marx and the Communist Manifesto, Adam Smith and the Wealth of Nations).³
- E3.1.5:* Comparing Economic Systems – Using the three basic economic questions (e.g., what to produce, how to produce, and for whom to produce), compare and contrast a socialist (command) economy (such as North Korea or Cuba) with the Capitalist as a mixed, free market system of the United States.
- E4.1.1:* Scarcity and Opportunity Costs – Apply concepts of scarcity and opportunity costs to personal financial decision making.
- E4.1.2:* Marginal Benefit and Cost – Use examples and case studies to explain and evaluate the impact of marginal benefit and marginal cost of an activity on choices and decisions.
- E4.1.5:* Personal Decisions – Use a decision-making model (e.g., stating a problem, listing alternatives, establishing criteria, weighing options, making the decision, and evaluating the result) to evaluate the different aspects of personal finance including careers, savings and investing tools, and different forms of income generation.

Common Core State Standards for Literacy in History/Social Studies

- RH.9-10.2:* Determine the central ideas or conclusions of a text; trace the text's explanation or depiction of a complex process, phenomenon, or concept; provide an accurate summary of the text.
- RH.9-10.4:* Determine the meaning of words and phrases as they are used in a text, including vocabulary describing political, social, or economic aspects of history/social science.

³ The philosophical and historical foundations of the various economic systems are not addressed in this unit.

- RH.9-10.7:* Integrate quantitative or technical analysis (e.g., charts, research data) with qualitative analysis in print or digital text.
- RH.9-10.10:* By the end of grade 10, read and comprehend history/social studies texts in the grades 9–10 text complexity band independently and proficiently.
- WHST.9-10.1a:* Introduce precise claim(s), distinguish the claim(s) from alternate or opposing claims, and create an organization that establishes clear relationships among the claim(s), counterclaims, reasons, and evidence.
- WHST.9-10.2:* Write informative/explanatory texts, including the narration of historical events, scientific procedures/ experiments, or technical processes.
a. Introduce a topic and organize ideas, concepts, and information to make important connections and distinctions; include formatting (e.g., headings), graphics (e.g., figures, tables), and multimedia when useful to aiding comprehension.
- WHST.9-10.4:* Produce clear and coherent writing in which the development, organization, and style are appropriate to task, purpose, and audience.
- WHST.9-10.6:* Use technology, including the Internet, to produce, publish, and update individual or shared writing products, taking advantage of technology's capacity to link to other information and to display information flexibly and dynamically.
- WHST.9-10.7:* Conduct short as well as more sustained research projects to answer a question (including a self-generated question) or solve a problem; narrow or broaden the inquiry when appropriate; synthesize multiple sources on the subject, demonstrating understanding of the subject under investigation.
- WHST.9-10.9:* Draw evidence from informational texts to support analysis, reflection, and research.
- WHST.9-10.10:* Write routinely over extended time frames (time for reflection and revision) and shorter time frames (a single sitting or a day or two) for a range of discipline-specific tasks, purposes, and audiences.
- SL.9-10.4:* Present information, findings, and supporting evidence clearly, concisely, and logically such that listeners can follow the line of reasoning and the organization, development, substance, and style are appropriate to purpose, audience, and task.
- SL.9-10.5:* Make strategic use of digital media (e.g., textual, graphical, audio, visual, and interactive elements) in presentations to enhance understanding of findings, reasoning, and evidence and to add interest.

Key Concepts

business structures
capital goods
choice

circular flow model
consumer goods
economic social goals
economic systems
economics
entrepreneurship
factors of production
marginal analysis
markets (resource market; market for goods and services)
needs vs. wants
opportunity cost
Production Possibilities Frontier / Curve
scarcity
sunk costs

Duration: 2.5 weeks

Lesson Sequence

Lesson 1: What is Economics?
Lesson 2: Exploring Scarcity through Marginal Analysis
Lesson 3: Scarcity, Ethics, and Societal Choices
Lesson 4: Production Possibilities and Growth
Lesson 5: Business Structures, Entrepreneurship, and Decision Making
Lesson 6: How do households and businesses interact in the exchange of resources and goods and services?
Lesson 7: How do societies respond to scarcity?

Instructional Resources

Equipment/Manipulative

A set of 3x5 index cards, one per student
A variety of magazines from which students may cut out pictures and words (Option B)
Bead containers— a mixture of red, green, blue, and yellow beads. (Do not give the lids to the containers to the groups as they will be used later in the game.)
Computer with PowerPoint capability
Computer with PowerPoint capability and a LCD or display
4 Dixie Cups – at least 4 and these stay with the teacher
Markers or colored pencils for student drawings
Overhead projector/ LCD projector
5 Rulers
Scissors – enough for half of the class
Spool of string (If you can find two types of string: thin, spool of thread and a thicker, plastic string is preferable)
Student Notebook or Journal – “Decision Making Notebook”
Unlined drawing or construction paper

Student Resource

A Facebook Tale: Founder Unfriends Pals On Way Up. NPR.com. 17 July 2009. 14 July 2014
<<http://www.npr.org/templates/story/story.php?storyId=106742510>>.

Bill Gates Biography. Biography.com 8 August 2009 <<http://www.biography.com/people/bill-gates-9307520>>.

Boyle, Matthew. "It came from Los Angeles." *Pinkberry could be the next hot franchise.* CNN.com. Fortune. 28 May 2007. 14 July 2014
<http://money.cnn.com/magazines/fortune/fortune_archive/2007/05/28/100033688/index.htm>.

Econ Ed – Opportunity Cost. Federal Reserve Bank of St. Louis. 8 July 2014
<<https://bts.stlouisfed.org/opportunity-cost/?p=yes>>.

"Factors of Production." *Economic Lowdown Podcast Series.* Federal Reserve Bank of St. Louis. 18 July 2014 <http://www.stlouisfed.org/education_resources/economic-lowdown-podcast-series/factors-of-production/>.

Gustafson, Kathryn, Brian Pierce and Scott Warrow. *PowerPoint (Lessons 1, 2, 4, 5, and 7, Unit 1).* Teacher-made materials. Oakland Schools, 2014.

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"I, Pencil: My Family Tree as told to Leonard E. Read." *Library of Economics and Liberty.* 1999. 11 July 2014 <<http://www.econlib.org/library/Essays/rdPncl1.html>>.

"I, Pencil: The Movie." *Competitive Enterprise Institute.* 14 November 2012. 12 July 2014
<<http://www.youtube.com/watch?v=IYO3tOqDISE>>.

Logue, Andrew. "Drake Relays inspired Nike founder Phil Knight." USA Today.com . 12 April 2009. 14 July 2014 <http://www.usatoday.com/sports/olympics/2009-04-12-phil-knight-drake-relays_N.htm>.

Oprah Winfrey Biography. Biography.com 8 August 2009
<<http://www.biography.com/articles/Oprah-Winfrey-9534419?part=0>>. No access currently available. 14 July 2014.

Today's Meet. 2 April 2014 <<http://todaysmeet.com>>.

"What is Fracking?" *National Geographic.* 12 July 2014
<<http://ngm.nationalgeographic.com/2013/03/bakken-shale-oil/fracking-animation-video>>.

Zoning in the United States. Wikipedia. 14 July 2014
<http://en.wikipedia.org/wiki/Zoning_in_the_United_States>.

Teacher Resource

- "Colour, Symbol, Image Routine." *Visible Thinking*. Harvard Project Zero. 8 July 2014
<http://www.visiblethinkingpz.org/VisibleThinking_html_files/03_ThinkingRoutines/03d_UnderstandingRoutines/ColourSymbolImage/ColourSymbolImage_Routine.html>.
- "Increasing Opportunity Cost." *Scarcity, Possibilities, and Preferences and Opportunity Cost*. Khan Academy. 11 July 2014 <<https://www.khanacademy.org/economics-finance-domain/microeconomics/choices-opp-cost-tutorial/production-possibilities/v/increasing-opportunity-cost>>.
- "Matching Organs." Transplant Living. Unos. 8 July 2014 <<http://www.transplantliving.org/before-the-transplant/about-organ-allocation/matching-organs/>>.
- "Opportunity Cost - The Economic Lowdown Podcast Series." Federal Reserve Bank of St. Louis. 8 July 2014 <http://www.stlouisfed.org/education_resources/economic-lowdown-podcast-series/opportunity-cost/>.
- Econlowdown. Federal Reserve Bank of St. Louis Online Learning Program. 8 July 2014
<<https://bts.stlouisfed.org/opportunity-cost/index.php?sid=318&p=1>>.
- Federal Reserve Bank of St. Louis. Education Resources. 8 July 2014<<http://www.stlouisfed.org/>>.
- Junior Achievement* Text and Study Guide. High School. 29 July 2010
<http://www.ja.org/programs/programs_high_econ.shtml>.
- Landsburg, Steven E. *Fair Play: What Your Child Can Teach You About Economics, Values, and the Meaning of Life* by Steven E. Landsburg. New York: The Free Press, 1997. Pp. 5-6.
- Marginal and Total Opportunity Cost from PPF*. YouTube. 5 August 2012. 8 July 2014
<<http://www.youtube.com/watch?v=iZYkQDloJnE>>.
- McConnell, Campbell, Stanley Brue, and Sean Flynn. *Contemporary Economics*. 18th ed. Columbus, OH: McGraw-Hill, 2008. Ch. 2.
- Money Instructor*, Play Money. 29 July 2010 <<http://www.moneyinstructor.com/play.asp>>.
- National Council for Economic Education*. 29 July 2010 <<http://www.councilforeconed.org/>>.
- News Hounds. 8 July 2014
<<http://newshounds.keenspot.com/images/NH1/Fan%20Art/scarcity.jpg>>.
- Ripp, Ken. *Bead Game Simulation*. Foundation for Teaching Economics. Davis, CA. 2001. 29 July 2010 <<http://www.fte.org/teachers/lessons/lessons.htm>>.

Rosenman, Robert E. "Marginal Analysis." School of Economic Sciences. Washington State University. 22 August 2009. 3 April 2014
<<http://faculty.ses.wsu.edu/rosenman/dist301/Margin.htm>>.

Schenk, Robert E. *The Circular Flow*. 29 July 2010
<<http://ingrimayne.com/econ/TheFirm/CircularFlow.html>>.

Shark Tank Season 2 Finale Onesole Shoes. YouTube. 12 July 2014
<<http://www.youtube.com/watch?v=VmZRJqcESIU>>.

Spadaccini, Michael. "The Basics of Business Structures." Entrepreneur.com. 9 March 2009. 13 July 2014 <<http://www.entrepreneur.com/article/200516>>.

Tablet Comparison. 9 to 5 Mac. Apple Intelligence. 8 July 2014
<<http://9to5mac.com/2011/02/09/tablet-comparison/>>.

Resources for Further Professional Knowledge (Summer Reading List for Teachers)

Ariely, Dan. *Predictably Irrational: The Hidden Forces That Shape Our Decisions*. New York: HarperCollins, 2009.

Friedman, Thomas L. *The World Is Flat: A Brief History of the Twenty-first Century*. New York: Farrar, Straus & Giroux, 2005.

Levitt, Steven D. and Stephen L. Dubner. *Freakanomics: A Rogue Economist Explores the Hidden Side of Everything*. New York: HarperCollins, 2005

Miller, Roger LeRoy, Daniel K. Benjamin, and Douglass C. North. *Economics of Public Issues*, The (15th Edition). New York: Addison Wesley, 2007.