

The economy in the valley will need to grow if students want to come back and work with their specialized degrees. We need to develop more to create more opportunities.

- Frank Murphy

Thursday: According to the quote above, which of the following would Frank Murphy most likely agree with?

- a. The creation of a public university within the valley
- b. The addition of a McDonald's in the valley
- c. The creation of a public park in the valley
- d. A new highway in the valley

Intro to Economics

Unit 9

Unit 9 Essential Question: In what ways do your choices impact the economy of the United States? How much of an impact do you have? Support your argument with at least 3 sources.

Unit 9.1 Essential Question: How does where you live affect your economic freedoms?

- Microeconomics
- Macroeconomics
- Scarcity
- Goods
- Services
- Trade-Offs
- Opportunity costs
- Traditional Economy
- Command Economy
- Communism
- Market Economy
- Capitalism
- Mixed Economy
- Labor
- Capital

What is economics?

The study of choices in a world full of unlimited wants and limited resources.

Microeconomics: study of choices made by individuals and individual businesses

Macroeconomics: study of choices made by entire industries and countries

How can you impact both?

What is the key to economics?

Scarcity: having more wants (goods and services) than you have resources

Ex.

- You can't buy a new car without enough money.
- You can't get everything done because there's not enough time.

Can you think of any more examples?

What are **goods** and **services**?

Goods

Services

things you can hold

things you pay someone to do

Good or service?



Good or service?



Good or service?



Good or service?



Good or service?



How do you choose what you want?

Trade-offs: choose one thing over another

Opportunity costs: the value of what you gave up

Ex. Choosing Pitt CC over ECU

Can you think of your own example?

What are the 4 major economic questions?

1. What should be produced?
2. How should it be produced?
3. How much should be produced?
4. For whom should it be produced?

Who answers these questions?

What are the 4 major types of economies?

1. **Traditional**: decisions based on traditional bartering systems
 - a. Custom, beliefs, religion
 - b. Little to no tech
 - c. “The way it’s always been”

Where are traditional economies?



What are the 4 major types of economies?

2. **Command**: decisions made by government
 - a. **Communism**: No private property, gov't owns everything

Advantages:

- Low prices
- Financial support for education
- Basic needs like housing, medical provided by gov't

Disadvantages:

- No competition
- Little choice of goods
- Quality of goods is poor
- Little individual freedom of choice



What are the 4 major types of economies?

3. **Market:** decisions made by individuals
 - a. Based on supply and demand
 - b. **Capitalism:** Profit = biggest motivation

Advantages:

- More choices
- Better quality
- Abundant supply
- Private property
- Individual freedoms

Disadvantages:

- Unequal distribution of wealth



What are the 4 major types of economies?

4. **Mixed**: decisions made by individuals and government
 - a. Most countries have some kind of mixed economy
 - b. In the US - required labels on food, minimum wage, FDA, etc



What are the 4 factors of production?

1. Land - natural factors
2. Labor - human work factor
3. Capital - \$ and tech factor
4. Entrepreneurship - leadership factor

Which is more important, the land, the worker, the computer, or the boss?

Essential Question: How does where you live affect your economic freedoms?

Exit Ticket: [Unit 9.1 Exit Ticket Turn in Box](#)

1. Create a postcard to a friend in the United States from the perspective of someone living in another country that does not have a mixed market economy. In the post-card, compare and contrast your two economies and living styles.
2. Take this [Sporcle Quiz on World Maps!](#)

Friday's Bellringer: [Sporcle Quiz on World Maps!](#)

Unit 9.2 Essential Question: How can you increase productivity?

- Productive
- Specialization
- Division of Labor
- Technology
- Education
- Sole Proprietorship
- Partnership
- Corporation

What is **productivity**?

Making the most of what we have.

How productive have you been today?

How can we increase productivity?

1. Specialization

- a. Focusing on one small task

How will this help increase productivity?

How can we increase productivity?

2. Division of Labor

- a. Dividing tasks among people

How will this help increase productivity? Do you have any experience with this?

How can we increase productivity?

3. Technology

- a. Applying knowledge to a task
 - i. Computers, scissors, wheels, radio

How will this help increase productivity?

How can we increase productivity?

4. Education

- a. Training, educating people to be more effective

How will this help increase productivity?

What are the types of businesses?

1. **Sole Proprietorship** / Entrepreneurship
 - a. One Owner



Advantages:

- Pride
- Keep all of profit
- Quick decision making process
- Flexibility
- Tax Breaks

Disadvantages:

- Financially Responsible
- Unlimited Liability
- Hard to Raise funds
- Hard to get qualified employees

What are the types of businesses?

2. Partnership

a. Two or more owners



Advantages:

- Raise more money
- Tax Breaks
- Bring in special talents

Disadvantages:

- Complex decision making
- Unlimited Liability
- Fully responsible for finances

What are the types of businesses?



3. Corporation

- a. Many individuals own stock in a company and it is treated as its own entity

Advantages:

- Easy to raise money
- Professionals run business (board)
- Ownership can be easily transferred
- Limited Liability
 - Corp. responsible for debts

Disadvantages:

- Expensive
- Complex
- Owners have little say
- More gov't regulation
- Double Taxed

How can a business become a corporation?

1. Get permission via gov't via charter
2. Stockholders invest money to gain ownership
3. Stockholders elect board of directors to run corporation

Why would a company want to become a corporation?

Essential Question: How can you increase productivity?

Exit Ticket: [Unit 9.2 Exit Ticket Turn in Box](#)

1. In partnerships, begin a concept of an idea of your own business. By the end of the period at least have in mind a good or a service that you would like to offer. Your business **MUST** be entirely school appropriate. If it's something you can't talk about in class - your business can't have anything to do with it. (guns, drugs, tobacco, alcohol etc.) **KEEP IT G-RATED!**

[Small Business Plan Worksheet](#)

Monday:

- Create a list of your top 5 most used businesses.
 - For each business, tell me why you use them.
 - Tell me one alternative for that business that you choose to use less often than them.
 - Finally, why do you choose to use those businesses more than others?
 - What makes them more successful?

Unit 9.3 Essential Question: Why is competition a good thing?

- Consumer sovereignty
- Pure competition
- Free enterprise
- Profit motives / incentives
- Non-Profits
- Monopolistic Competition
- Oligopoly
- Monopoly
- Merger
- Conglomerate

Key terms to know:

Consumer Sovereignty: consumer decides what is produced (customer is always right)

Pure Competition: no one person / group controls the market on a product and there are no barriers to enter the market

Free enterprise: individuals answer all 4 economic questions and allow for free trade; capitalism

Profit motive / incentives: individuals willing to give up a factor of production for a personal gain

What are the types of competition?

1. Non-profits:

- a. Organizations not interested in making a profit
- b. Want to benefit society rather than make money

What are some examples of non-profits?

What are the types of competition?

2. Monopolistic: (aka pure / market)

- a. Many companies compete with similar products and no one has total control
 - i. Little price difference between products
 - ii. Few barriers to entry and exit
 - iii. Producers have a degree of control over price

What are some examples of monopolistic industries?

What are the types of competition?

3. Oligopoly:

- a. Few companies compete with very similar products
- b. One company can greatly impact the market

What are some examples of oligopolies?

What are the types of competition?

4. Monopoly

- a. One company controls everything in that market
- b. Illegal in USA, unless government operated

What monopolies still exist?

How do corporations become monopolies?

Merger: buying up all similar companies

Conglomerate: corporation buys up other companies that provide its capital goods
- corporations are usually large, multinational and multi-industry

Why would you want to become a monopoly?

Essential Question: Why is competition a good thing?

Exit Ticket: Unit 9.2 Exit Ticket Turn in Box

1. In partnerships, create your own business. Your business MUST be entirely school appropriate. If it's something you can't talk about in class - your business can't have anything to do with it. (guns, drugs, tobacco, alcohol etc.)
KEEP IT G-RATED!

[Small Business Plan Worksheet](#)

Remediation Schedule

7:45.....	Enter the Bldg.
8:15.....	Start of Instructional Day Bell
8:20.....	Tardy Bell
8:25-9:50.....	1 st Period
9:50-9:55.....	Change Class/ Report Remediation Area
9:55-10:35.....	Remediation
10:35-10:40.....	Change Class
10:40-12:05.....	2 nd Period
12:05-12:10.....	Change Class
12:10-2:00.....	3 rd Period
A Lunch.....	12:10-12:35
B Lunch.....	12:35-1:00
C Lunch.....	1:00-1:35
D Lunch.....	1:35-2:00
2:00-2:05.....	Change Class
2:05-3:30	4 th Period

Tuesday: Which of these is an example of capital?

- a. 6 acres of land
- b. 24 employees
- c. 5 computers
- d. Washington D.C.

Unit 9.4 Essential Question: Why are supply and demand important for business owners?

- Demand
- Demand Curve
- Law of Demand
- Substitution
- Taste / Preference
- Income
- Complement
- Elasticity
- Elastic
- Inelastic
- Supply
- Supply Curve
- Law of supply
- Production costs

Prezi - Slides 90-117

https://prezi.com/p4vlbru-eis4/unit-9-economics/?auth_key=567a5ba94810ffced9a3fd0000bcfc29db095116

Essential Question: Why are supply and demand important for business owners?

Exit Ticket: [Unit 9.4 Exit Ticket Turn in Box](#)

1. Create your own examples of STIC and PET using the fake business that you created.



Wednesday: What has happened to the demand of businesses in this area?

- a. It goes up
- b. It goes down
- c. It stays the same
- d. It becomes demand

Unit 9.5 Essential Question: Explain the relationship between supply and demand.

- Equilibrium
- Surplus
- Shortage
- Price floor
- Price ceiling
- Employment
- Unemployment rate
- Rural
- Urban

Prezi - Slides 119-135

https://prezi.com/p4vlbru-eis4/unit-9-economics/?auth_key=567a5ba94810ffced9a3fd0000bcfc29db095116

What does it mean to be employed?

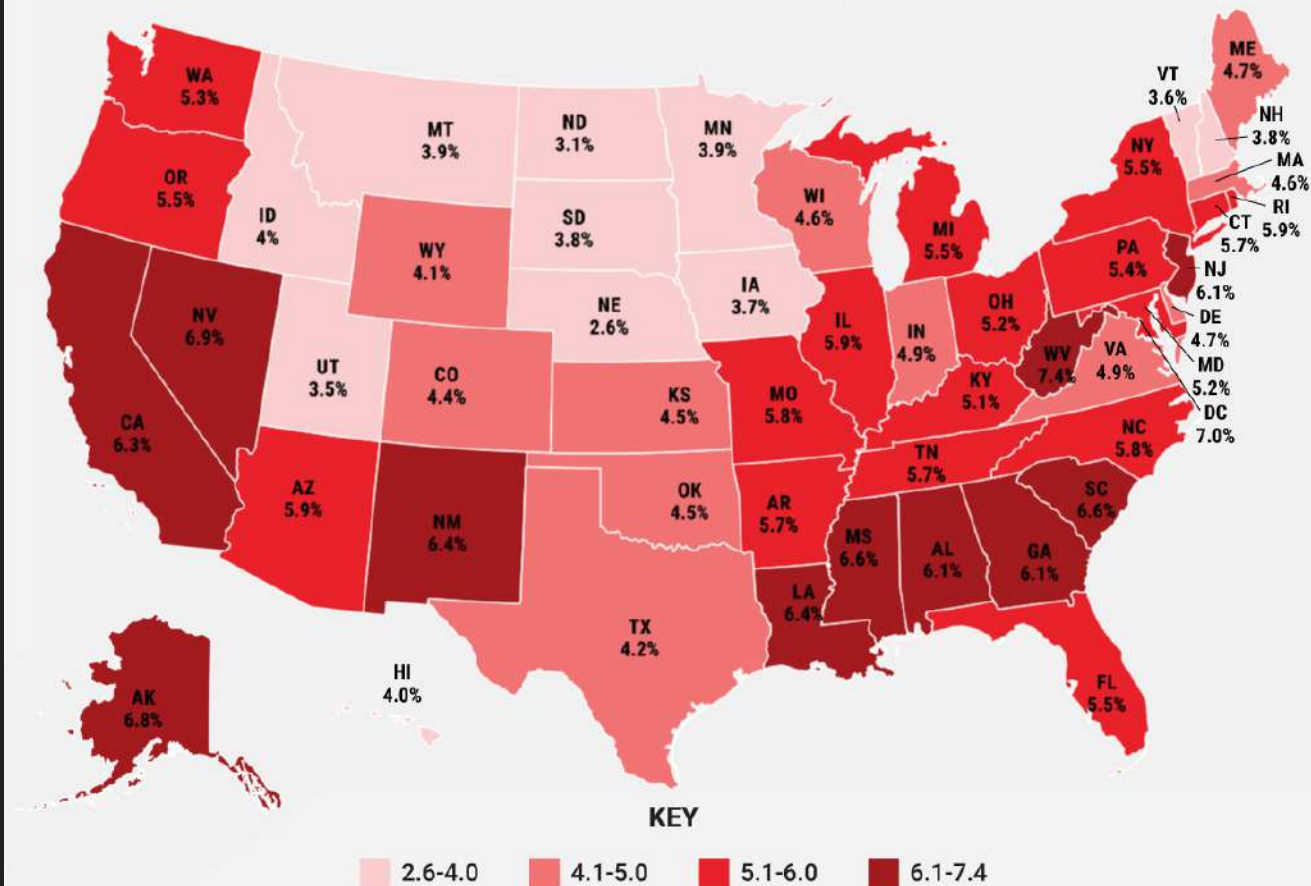
Part time employment - works less than 35 hrs per week

Full time employment - works 35+ hours a week, usually receiving benefits

Unemployment rate - % of ppl without a job that are actively looking for one

Which states have the highest employment rates? Highest unemployment rates?

UNEMPLOYMENT RATE, JUNE 2015



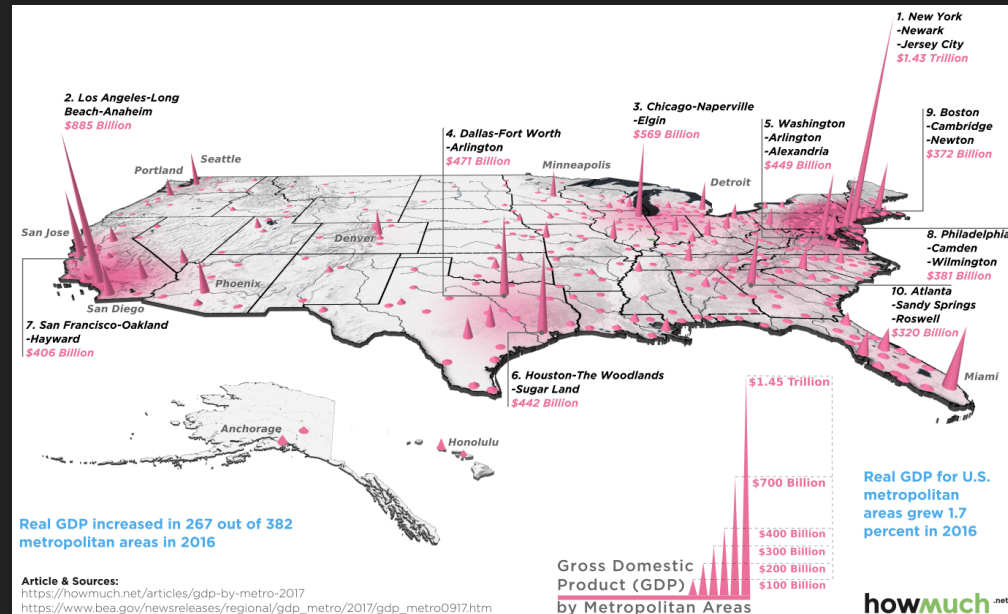
SOURCE: Bureau of Labor Statistics

BUSINESS INSIDER

How does where you live impact our economy?

Urban: major cities with large populations

Rural: low populated areas outside cities



Essential Question: Explain the relationship between supply and demand.

Exit Ticket: Unit 9 Review Turn in Box

1. Complete the Unit 9 Review

Jenny owns an event planning business. For the upcoming year, she has 2 options. She can either take on 6 average clients, or one major Hollywood star. Planning for the average clients will require her usual amount of work, the planning process will be routine, and she will make enough money to fulfill her budget. If she decides to take on the Hollywood star's event, she will not have enough time to have any other clients and may not make enough to cover her expenses. However, planning the Hollywood star's event could be the “big break” she's been looking to get to make her business famous.

Thursday: According to the passage above, what is Jenny's trade-off?

- a. She chooses to plan the Hollywood star's event over the average clients' events
- b. She loses out on guaranteed income to balance her budget
- c. She misses out on the sense of security and structure she's used to
- d. All of the above