

# COMMUNITY UNIT SCHOOL DISTRICT 200

## Social Science Philosophy

With the intent of fostering civic competence, Social Studies instruction K – 12, integrates such areas as history, geography, economics, behavioral, and political sciences. Critical thinking, problem solving, and decision-making skills are integrated throughout the curriculum. Students will be able to formulate and defend reasoned judgements as well as make informed decisions for the public good as citizens of a culturally diverse, democratic society in an interdependent world.

### Economics

#### Grades Eleven and Twelve

#### Intermediate Level – One Semester

#### 1. Subject Expectation (State Goal 15)

**The student will understand economic systems with an emphasis on the United States.**

Essential Learning 1  
(Learning Standard A)

Understand how different economic systems operate in the exchange, production, distribution and consumption of goods and services.

Critical Content

15.A.5a

Explain the impact of various determinants of economic growth (e.g., investments in human/physical capital, research and development, technological change) on the economy.

- define and analyze basic economic terminology and perspectives such as:
  - scarcity
  - opportunity costs
  - microeconomics vs. macroeconomics
  - positive vs. normative economics
  - the three basic economic questions and their answers
  - marginal analysis
  - the economic way of thinking

15.A.5b

Analyze the impact of economic growth.

- identify and summarize factors that influence growth and development such as:
  - productivity
  - specialization and division of labor
  - saving
- explain and use models such as the simple circular flow and production-possibility curves
- investigate constraints on maximization
- describe how growth and development are related to interdependence

15.A.5c

Analyze the impact of various determinants on the levels of GDP (e.g. quantity/quality of natural/capital resources, size/skills of the labor force).

- distinguish between types of unemployment (frictional, seasonal, structural and cyclical)

- identify the current unemployment rate and its impact on individuals and the nation
- 15.A.5d Explain the comparative value of the Consumer Price Index (e.g., goods and services in one year with earlier or later periods).
- explain economic indicators and statistics such as:
    - CPI
    - PPI
    - unemployment rate
    - inflation real and nominal interest rates
    - the ways in which they influence government policy-making, private decision-making, and voting behavior

Essential Learning 2  
(Learning Standard B) Understand that scarcity necessitates choices by consumers.

- Critical Content
- 15.B.5a Analyze the impact of changes in non-price determinants (e.g., changes in consumer income, changes in tastes and preferences) on consumer demand.
- summarize the components of demand (willingness and ability) and their relation to the law of diminishing marginal utility
    - explain the difference between movement along a demand curve and a change in demand
- 15.B.5b Analyze how inflation and interest rates affect consumer purchasing power.
- examine the types of inflation and their impact on consumers demand and purchasing power
- 15.B.5c Analyze elasticity as it applies to supply and demand and consumer decisions.
- examine product characteristics which affect elasticity of demand
  - analyze the relationship between elasticity of demand and changes in total revenue due to price changes
  - calculate coefficients of demand elasticity

Essential Learning 3  
(Learning Standard C) Understand that scarcity necessitates choices by producers.

- Critical Content
- 15.C.5a Explain how competition is maintained in the United States economy and how the level of competition varies in differing market structures (e.g., monopoly, oligopoly, monopolistic and perfect competition).
- evaluate advantages and disadvantages of production methods such as assembly lines and quality circles
- 15.C.5b Explain how changes in non-price determinants of supply (e.g., number of producers) affect producer decisions.
- summarize the components of supply (willingness and ability)
    - explain the difference between movement along a supply curve and a change in supply
    - understand the non-price determinants of supply
    - explain how equilibrium occurs and its characteristics
    - demonstrate the use of demand and supply curves to illustrate changes in product markets

- 15.C.5c Explain how government intervention with market prices can cause shortages or surpluses of a good or service (e.g., minimum wage policies, rent freezes, farm subsidies).
- describe the supply side of product markets
    - explain the basic types of business organization, such as proprietorship, partnership and corporation, as well as franchise, limited partnership and S-corporation
    - interpret game theory relative to corporate behavior
    - distinguish between short-run production costs (fixed, variable and marginal), diminishing marginal returns, long-run costs and alternatives, and economies of scale
  - compare and contrast aggregate demand and supply, spending and total expenditures, shifts in the curves, equilibrium and its impact

Essential Learning 4  
(Learning Standard D) Understand trade as an exchange of goods and services.

- Critical Content
- 15.D.5a Explain how transaction costs affect decisions to produce or consume.
- demonstrate the mutual benefits of trade, along with concepts such as comparative and absolute advantage
- 15.D.5b Analyze why trade barriers and exchange rates affect the flow of goods and services among nations.
- analyze concepts such as free trade, trade barriers, balance of payments, exchange rates, and their impact on international trade
- 15.D.5c Explain how technology has affected trade in the areas of transportation, communication, finance and manufacturing.

Essential Learning 5  
(Learning Standard E) Understand the impact of government policies on production and consumption in the economy.

- Critical Content
- 15.E.5a Explain how and why government redistributes income in the economy.
- distinguish between economic and political functions of government
    - differentiate between public and private goods
    - explain how government corrects for externalities
    - differentiate between merit and demerit goods
    - explain why government redistributes income along with the law of diminishing marginal utility
- 15.E.5b Describe how fiscal, monetary and regulatory policies affect overall levels of employment, output and consumption.
- describe the impact of fiscal and monetary policy on the economy
    - describe how leading, lagging and concurrent indicators are used in economic forecasting
    - explain how government spending (including deficit spending) can be used to stabilize the economy
    - understand the federal income tax system as an example of sacrifice theory taxation
    - differentiate between progressive, proportional and regressive forms of taxation
    - describe characteristics of the federal income tax such as marginal tax rates, withholding, deductions, exemptions and credits
    - demonstrate familiarity with tax forms such as W-2, W-4, 1040-EZ, 1040A, 1040, and 1099

15.E.5c Describe key schools of thought such as classical, Keynesian, monetarist, and supply side and their impact on government policies.