



- formulate and defend public policy that might address structural or cyclical unemployment
  - identify the current unemployment rate and its impact on individuals and the nation
  - analyze the impact of unemployment on a given geographic region (e.g., state, county, city)
- 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
  - utilize the Consumer Price Index (CPI) to identify periods of inflation and deflation over various periods of U.S. history
  - evaluate economic policies by how successfully they curb unemployment, keep economic costs to a minimum, and keep prices stable

Essential Learning 2 (Learning Standard B)	Understand that scarcity necessitates choices by consumers.
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Critical Content	15.B.5a	<p>Analyze the impact of changes in non-price determinants (e.g., changes in consumer income, changes in tastes and preferences) on consumer demand.</p> <ul style="list-style-type: none"> <li>• understand the components of demand (willingness and ability) and their relation to the law of diminishing marginal utility.           <ul style="list-style-type: none"> <li>- explain the difference between movement along a demand curve and a change in demand</li> </ul> </li> <li>• identify the non-price determinants of demand and predict the change in demand and market price for a product when any of those determinants change</li> <li>• predict how a change in interest rates will affect individual decisions to borrow and/or save</li> <li>• identify the current rates of interest on different kinds of savings instruments and explain why they vary</li> </ul>
	15.B.5b	<p>Analyze how inflation and interest rates affect consumer purchasing power</p> <ul style="list-style-type: none"> <li>• understand the types of inflation and their impact on consumers demand and purchasing power</li> </ul>
	15.B.5c	<p>Analyze elasticity as it applies to supply and demand and consumer decisions.</p> <ul style="list-style-type: none"> <li>• examine product characteristics which affect elasticity of demand</li> <li>• analyze the relationship between elasticity of demand and changes in total revenue due to price changes</li> <li>• calculate coefficients of demand elasticity</li> </ul>

Essential Learning 3 (Learning Standard C)	Understand that scarcity necessitates choices by producers.
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Critical Content	15.C.5a	<p>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).</p> <ul style="list-style-type: none"> <li>• evaluate advantages and disadvantages of production methods such as assembly lines and quality circles</li> <li>• analyze the impact on consumers of reduced competition in an industry</li> </ul>
	15.C.5b	<p>Explain how changes in non-price determinants of supply (e.g., number of producers) affect producer decisions.</p> <ul style="list-style-type: none"> <li>• understand the components of supply (willingness and ability) <ul style="list-style-type: none"> <li>- explain the difference between movement along a supply curve and a change in supply</li> <li>- understand the non-price determinants of supply</li> <li>- explain how equilibrium occurs and its characteristics</li> <li>- demonstrate the use of demand and supply curves to illustrate changes in product markets</li> </ul> </li> <li>• predict the change in supply of a product and the market price for the product when non-price determinants of supply change</li> </ul>
	15.C.5c	<p>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).</p> <ul style="list-style-type: none"> <li>• describe the supply side of product markets <ul style="list-style-type: none"> <li>- explain the basic types of business organization, such as proprietorship, partnership and corporation, as well as franchise, limited partnership and S-corporation</li> <li>- describe game theory relative to corporate behavior</li> <li>- explain short-run production costs (fixed, variable and marginal), diminishing marginal returns, long-run costs and alternatives, and economies of scale</li> </ul> </li> <li>• define aggregate demand and supply, spending and total expenditures, shifts in the curves, equilibrium and its impact</li> <li>• evaluate the importance of private ownership of production resources in a market economy</li> <li>• identify examples of negative and positive externalities that result from the production or consumption of a product</li> <li>• analyze the effects of competition on the price, quality, and quantity produced of a good</li> </ul>

Essential Learning 4 (Learning Standard D)	Understand trade as an exchange of goods and services.
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Critical Content	15.D.5a	<p>Explain how transaction costs affect decisions to produce or consume.</p> <ul style="list-style-type: none"> <li>• explain the mutual benefits of trade, along with concepts such as comparative and absolute advantage</li> <li>• define transaction costs and provide examples</li> </ul>
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- 15.D.5b • explain why reducing transaction costs encourages exchange  
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
- analyze the impact of United States imposed trade barriers on U.S. citizens and on the citizens of trading partners
- 15.D.5c Explain how technology has affected trade in the areas of transportation, communication, finance and manufacturing.
- analyze how technological advances allow societies to produce more goods and services with the resources available
- explain the relationship among higher productivity levels, new technologies, and the standard of living

Essential Learning 5 (Learning Standard E)	Understand the impact of government policies on production and consumption in the economy.
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- Critical Content
- 15.E.5a Explain how and why government redistributes income in the economy.
    - describe both 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
    - identify government policies that are designed to directly redistribute income and explain why such policies exist
    - identify historical examples of fiscal policies and analyze whether these policies were adopted to influence levels of output, employment, prices, or all three
    - explain how the tools of monetary policy work to impact money supply and/or interest rates
    - analyze the impact on the availability and cost of consumer loans when monetary policy decisions either increase or decrease the money supply
  - 15.E.5c Describe key schools of thought such as classical, Keynesian, monetarist, and supply side and their impact on government policies.

