

## Introduction to Economics

| <b>Grades 9-12</b><br><b>1 Semester</b><br><b>Prerequisite – NONE</b> | <b>Overview:</b> In this one semester course, students will become familiar with how individuals, communities and nations make rational choices in a world defined by scarcity. The primary goal of the course is to help students become effective citizens as they develop the skills needed to be productive workers, informed consumers and prudent investors. The course incorporates current events and historical developments analyzing them with economic concepts, theories and models in order to view them from a different perspective and investigate them in greater depth.                        |  |   |  |
|---|---|--|---|--|
| Units of Study  | Big Ideas   | Key Concepts/Vocabulary  | Essential Questions   | Suggested Resources                          |
| <b>Economic Way of Thinking</b>                                       | <b>What is Economics?</b><br>The study of the human attempt to satisfy unlimited wants and demands with limited resources...Science of Choices<br><b>What is the economic way of thinking?</b><br>Acknowledging that every choice we make has tradeoffs and opportunity costs...incentives determine choices<br><b>What is scarcity?</b><br>Scarcity is the result of unlimited demands on limited resources...scarcity is why choices must be made   | Economics, scarcity, choice, wants, needs, goods, service, supply/demand, opportunity costs, tradeoffs, cost/benefit analysis, incentives, resources, consumer, producer/supplier, land, labor, capital  | <b>Why do you make the choices you do?</b><br><br><b>Why do your choices have effects??</b><br><br><b>How do incentives affect choices?</b><br><br><b>How are prices established?</b> | <a href="http://www.fte.org">www.fte.org</a> |
| <b>Economic Systems and Market Economies</b>                          | <b>What is an Economic system?</b><br>The way in which a country answers the questions of: What goods and services should be produce, How should these goods and services be produced?, and Who will get the goods and services? Examples are traditional, command (socialism and communism), market (capitalism) and mixed economies.<br><b>What are some different types of competition in a Market Economy?</b><br>perfect competition, oligopoly, monopoly, - monopolistic competition<br><b>What are the characteristics of the Free Market/Capitalist system?</b><br>Profit Motive, private ownership, free | traditional economy, command economy, market economy , perfect competition, oligopoly, monopoly, monopolistic competition, sole proprietorship, partnership, corporation, joint venture, franchise, profit motive, free enterprise, private ownership, labor, labor unions, corporations | <b>Which economic system do you live in?</b><br><br><b>How can a monopoly be bad or good?</b><br><br><b>What do labor unions do for workers?</b>                                      | <a href="http://www.fte.org">www.fte.org</a> |

|   |   |   |  |             |
|---|---|---|--|-------------|
|   | enterprise, law of supply/demand, competition   |   |  |             |
| <b>Money, Banking, Saving and Investments</b> | <p><b>How is the value of your money determined?</b> Scarcity, supply/demand, personal “choice”, and human psychology all help determine the value of money.</p> <p><b>How do banks create wealth?</b> Banks help create wealth by the “multiplier effect”.</p> <p><b>What is the Federal Reserve?</b> The Federal Reserve acts as the National Bank of the United states. It regulates the money supply and sets monetary policy for the country.</p> <p><b>What are examples of different investment options?</b> Savings accounts, buying stocks and bonds.</p>  | federal reserve system, monetary policy, fiscal policy, money, medium of exchange, unit of accounting, store of value, stocks, bonds, commodity markets, money markets, bank, central/national bank, budget, savings, mutual funds, broker, margin, securities, market, credit, annual, percentage rate, interest | <p><b>How do you determine the value of your money?</b></p> <p><b>Why is investing a good idea?</b></p> <p><b>How can interest be good and bad?</b></p>  | www.fte.org |
| <b>Taxes, Budgets, Debt and Deficit</b>       | <p><b>What are some different types of taxes?</b> Progressive and regressive taxes. Examples of progressive taxes are income taxes and property taxes. Examples of regressive taxes are sales taxes and “fair” taxes.</p> <p><b>What is a budget?</b> A budget is an amount of money available for spending that is based on a plan for how it will be spent or <i>a plan used to decide the amount of money that can be spent and how it will be spent</i></p> <p><b>What is the difference between debt and deficit?</b> Deficit is the lack of revenue to cover expenditures in a one year budget or spending more than you bring in; debt is the accumulation of years of deficit</p> | budget deficit, budget surplus, national debt, public works projects, income redistribution, income tax, tax, sales tax, property tax, regressive tax, progressive tax, fair tax, FICA taxes, state taxation, federal taxation  | <p><b>Why do you pay taxes?</b></p> <p><b>How do you pay taxes?</b></p> <p><b>Do you have a personal budget?</b></p> <p><b>How can debt be a positive?</b></p> <p><b>How will we pay down our debt?</b></p> <p><b>Who owns most of our debt?</b></p> | www.fte.org |

|  |   |  |  |   |
|--|---|--|--|---|
|  | spending.   |  |  |   |
| <b>Business Cycle and Macroeconomic concepts</b> | <p><b>What is the “business cycle”?</b><br/>The ups and downs of the economy, can reflect a roller coaster, the cycle is repeated over and over again, bring both good times and bad.</p> <p><b>What effects do inflation and deflation have on the business cycle?</b><br/>Rates of inflation and deflation help determine the ups and downs of the business cycle and affect the severity of the business cycle roller coaster affect.</p> <p><b>What is a corporation and why were they created?</b><br/>A large business or organization that under the law has the rights and duties of an individual and follows a specific purpose to reduce risk and liability for investors and encourage free enterprise growth.</p> <p><b>What have labor unions done for workers?</b><br/>Practically every benefit workers have today: from the 8 hour work day, days off, vacations, insurance, retirement options, on the job safety, and many more , are the results of labor unions.</p> | business cycle, recession, depression, expansion, inflation, unemployment, gross domestic product, corporations, labor unions                              | <p><b>Why does a corporation have the same “rights” as you ?</b></p> <p><b>How does the business cycle look on a graph?</b></p> <p><b>Why do workers have 8 hour work days, days off, and safe working conditions?</b></p> | www.fte.org   |
| <b>Alaskan Economics</b>                         | <p><b>What are characteristics of boom/bust economic cycles?</b> The boom and bust cycle is a key characteristic of today’s capitalist economies. During the boom the economy grows, jobs are plentiful and the market brings high returns to investors. In the subsequent bust the economy shrinks, people lose their jobs and investors lose money. Boom-bust cycles last for varying lengths of time; they also vary in severity</p>   | Permanent fund, permanent fund dividend, resource state, tourism industry, oil/gas industry, fishing industry, role of military, boom/bust economic cycle, | <p><b>Why do you get a permanent fund dividend?</b></p> <p><b>How do you use the “resources” of the state?</b></p>   | <p>Adventures in the Alaska Economy<br/><a href="http://www.akhistorycourse.org">www.akhistorycourse.org</a></p> <p><a href="http://www.apfc.org/home/Content/home/index.cfx">http://www.apfc.org/home/Content/home/index.cfx</a></p> |

|  |   |  |  |  |
|--|---|--|--|--|
|  | <p><b>What industries are the backbones of the Alaskan economy?</b><br/>Oil/Gas, Fishing, Tourism, Mining,</p> <p><b>What is the idea of the “owner state” and how does it affect the Alaskan Economy?</b> The owner state is the idea that the citizens should benefit from the production of the state’s resources and with the ownership will be more involved and responsible in the development of the state’s resources. The Permanent Fund and Permanent Fund Dividend program were developed on this premise. Our Permanent Fund and the Permanent fund Dividend program are reasons for low taxation and create seasonal boost to local economies.</p> |  |  |  |
|--|---|--|--|--|

**Priority Social Studies Standards**  
**Alaska Content Standards:**  
G/C.F.1-2, 4-5; 6, 8  
G/C.F.2, 7;  
G/C.F.6, 9;  
G/C.G.1-7  
G/C.G.1-4, 6

**Priority Reading Standards: R2.ID.9-10**  
**Alaska Writing Standards for Literacy in History and Social Studies**

**Vocabulary:** Primary Source, secondary source, compare/contrast, cause/effect, central idea, bias/point of view, thesis/claim, formal voice, supporting fact, plagiarism, citation, reliable source