

# Economics

## Scarcity and Economic Reasoning

- 1 Match a productive resource (i.e., natural, human, capital) to its role in producing goods and services. (E) E.1.1A

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- 2 Identify incentives and how positive and negative incentives work to influence economic behavior. E.1.2A

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- 3 Identify why households, businesses, and governments engage in voluntary exchange. E.1.3A

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- 4 Describe how scarcity leads to choices, and identify the opportunity costs associated with decisions. (E) E.1.4A

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- 5 Use a production possibilities curve to show trade offs and opportunity costs. E.1.5A

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- 6 Identify the characteristics of traditional, market, and command economies. E.1.6A

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- 7 Identify why property rights are important to market economies. E.1.7A

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- 8 Identify how investment in capital (physical and human) leads to increased productivity. (E) E.1.8A

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- 9 Use a circular flow diagram to show how money flows from businesses to households, and from households to businesses. E.1.9A

## Supply and Demand

- 1 Define the Law of Supply and the Law of Demand. (E) E.2.1A

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- 2 Identify that consumers determine what is produced. E.2.2A

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- 3 Identify the equilibrium price and quantity on a market supply and demand graph. E.2.3A

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- 4 Identify factors that cause changes in market supply and demand. E.2.4A

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- 5 Describe factors other than price that might affect the number of items purchased. E.2.5A

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- 6 Identify factors that determine how much workers are paid. Examples: market value of the product produced, workers' productivity, and collective bargaining. (E) E.2.6A

## Market Structures

- 1 Describe sole proprietorships, partnerships, and corporations. E.3.1A
- 2 Describe monopolies and competitive markets. E.3.2A
- 3 Identify how competition in markets affects price and quality. (E) E.3.3A

## Role of Government

- 1 Define public goods and identify how market failures lead to underproduction of public goods. E.4.1A
- 2 Identify why the government has an interest in the production of public goods and services. (E) E.4.2A
- 3 Identify how the government subsidizes positive externalities to resolve inefficiencies or why the government taxes negative externalities. E.4.3A
- 4 Describe challenges that state and federal governments face in achieving a balanced budget. (E) E.4.4A
- 5 Identify personal income tax as a progressive tax, sales tax, and Federal Income Contributions as a regressive tax. (E) E.4.5A
- 6 Describe budget debt and budget deficit and identify an effect of both on the economy. (E) E.4.6A

## National Economic Performance

- 1 Describe gross domestic product (GDP), unemployment, and inflation. E.5.1A
- 2 Describe how rational spending of households, businesses, and government impacts a country's overall income, employment, and price level. E.5.2A
- 3 Identify the limitations of using GDP to measure economic welfare. E.5.3A
- 4 Identify the causes of inflation (i.e., cost-push and demand-pull). (E) E.5.4A
- 5 Describe the business cycle in a market economy. E.5.5A
- 6 Identify the different types of unemployment, including structural, cyclical, frictional, and seasonal. E.5.6A

## Money and the Role of Financial Institutions

- 1 Identify a function of money. E.6.1A
- 2 Identify the role banks or other financial institutions play for savers, borrowers, and investors. (E) E.6.2A
- 3 Identify how banks create money when loans are made and the role that the fractional reserve plays in the process. E.6.3A
- 4 Identify the different functions of the Federal Reserve, including regulating the money supply, regulating banks, and providing financial services to the U.S. Government. E.6.4A

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**5 Identify how interest rates benefit savers and borrowers. (E)** E.6.5A

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**6 List two or more ways to invest money to save for the future. (E)** E.6.6A

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**7 Identify equilibrium price and quantity on a supply and demand graph.** E.6.7A

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## **Economic Stabilization**

**1 Define fiscal and monetary policy.** E.7.1A

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**2 Identify the tools of fiscal policy (government spending and taxes) and the tools of monetary policy (interest rates, reserve requirements, buying and selling of treasury bonds).** E.7.2A

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**3 Identify the ways the government uses fiscal policy to promote economic stability, full employment, and economic growth.** E.7.3A

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**4 Identify how the use of fiscal policy affects budget deficits or surpluses and the national debt.** E.7.4A

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**5 Identify the ways the Federal Reserve uses monetary policy to promote economic stability, full employment, and economic growth.** E.7.5A

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## **Trade**

**1 Define trade barriers and identify why a country erects them.** E.8.1A

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**2 Define free trade and identify one reason for and one reason against free trade.** E.8.2A