

# Grades 9-12

The student will demonstrate knowledge and integration of basic economic concepts and structures by **EPF.1**

- a** describing how consumers, businesses, and government decision makers face scarcity of resources and must make trade-offs and incur opportunity costs; **EPF.1.A**

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- b** explaining that choices often have long-term, unintended consequences; **EPF.1.B**

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- c** describing how effective decision making requires a comparison of the additional costs (marginal costs) and additional benefits (marginal benefits), using a cost-benefit analysis chart and PACED decision-making grid (i.e., state the problem; list alternatives; identify the criteria; evaluate the alternatives based on the criteria; make a decision) for economic and personal finance decisions; **EPF.1.C**

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- d** describing the factors of production; **EPF.1.D**

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- e** comparing the characteristics and applications of market, command, traditional, and mixed economies; and **EPF.1.E**

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- f** identifying Adam Smith and describing the characteristics of a market economy. **EPF.1.F**

The student will demonstrate knowledge of the role of producers and consumers in a market economy by **EPF.2**

- a** describing how consumers, producers, workers, savers, investors, and citizens respond to incentives; **EPF.2.A**

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- b** explaining how businesses respond to consumer sovereignty; **EPF.2.B**

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- c** identifying the role of entrepreneurs; **EPF.2.C**

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- d** comparing the costs and benefits of different forms of business organization, including sole proprietorship, partnership, corporation, franchise, and cooperative; **EPF.2.D**

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- e** describing how costs and revenues affect profit and supply; **EPF.2.E**

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- f** describing how increased productivity affects costs of production and standards of living; **EPF.2.F**

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- g** examining how investment in human capital, capital goods, and technology can improve productivity; **EPF.2.G**

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- h** describing the effects of competition on producers, sellers, and consumers; **EPF.2.H**

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**i** explaining why monopolies or collusion among sellers reduces competition and raises prices; and EPF.2.I

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**j** illustrating the circular flow of economic activity. EPF.2.J

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The student will demonstrate knowledge of the price system by EPF.3

**a** analyzing the laws of supply and demand and the determinants of each; EPF.3.A

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**b** explaining how the interaction of supply and demand determines equilibrium price and wages; EPF.3.B

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**c** describing the elasticity of supply and demand; and EPF.3.C

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**d** examining the purposes and implications of price ceilings and price floors. EPF.3.D

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The student will demonstrate knowledge of the many factors that affect income by EPF.4

**a** examining the market value of a worker's education, skills, training, knowledge, and credentials; EPF.4.A

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**b** identifying the impact of human capital on production costs; EPF.4.B

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**c** explaining the relationship between a person's own human capital and the resulting income potential; EPF.4.C

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**d** performing an analysis of expenses and financial aid required for continuing education to expand human capital; and EPF.4.D

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**e** describing how changes in supply and demand for goods and services affect income. EPF.4.E

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The student will demonstrate knowledge of a nation's economic goals, including full employment, stable prices, and economic growth by EPF.5

**a** distinguishing among economic indicators, for example, gross domestic product (GDP), consumer price index (CPI), and unemployment rate; EPF.5.A

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**b** analyzing the causes and effects of unemployment, inflation, and reduced economic growth; EPF.5.B

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**c** describing the fluctuations of the business cycle and how economic indicators change throughout the business cycle; and EPF.5.C

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**d** describing strategies for achieving national economic goals. EPF.5.D

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The student will demonstrate knowledge of the nation's financial system by EPF.6

**a** comparing the role of money and currency; EPF.6.A

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**b** explaining the roles and types of financial markets and financial institutions; EPF.6.B

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**c** describing the purpose, structure, and function of the Federal Reserve System, including the role of monetary policy; EPF.6.C

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**d** identifying the tools of monetary policy (e.g., Fed funds rate); EPF.6.D

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**e** comparing the U.S. monetary system with the international monetary system; and EPF.6.E

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**f** explaining how certain historical events have influenced the banking system and other financial institutions. EPF.6.F

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The student will demonstrate knowledge of how fiscal policy influences employment, output, and prices by EPF.7

**a** describing government's role in stabilizing the economy through congressional spending and tax policy; EPF.7.A

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**b** describing sources of government revenue; and EPF.7.B

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**c** explaining balanced budget, deficit, and national debt. EPF.7.C

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The student will demonstrate knowledge of the role of government in a market economy by EPF.8

**a** identifying goods and services provided by government to benefit society; EPF.8.A

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**b** identifying the role government plays in providing a legal structure to protect property rights and enforce contracts; EPF.8.B

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**c** providing examples of government regulation of the market; and EPF.8.C

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**d** explaining that governments redistribute wealth. EPF.8.D

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The student will demonstrate knowledge of the global economy by EPF.9

**a** explaining that when parties trade voluntarily, all benefit; EPF.9.A

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**b** distinguishing between absolute and comparative advantage; EPF.9.B

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**c** distinguishing between trade deficit and trade surplus; EPF.9.C

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**d** explaining exchange rates and the impact of the strength of the dollar on economic decisions; EPF.9.D

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**e** describing the costs and benefits of trade barriers; EPF.9.E

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**f** describing the effects of international trade agreements and the World Trade Organization; and EPF.9.F

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**g** explaining growing economic interdependence. EPF.9.G

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The student will develop consumer skills by EPF.10

**a** examining basic economic concepts (such as scarcity and opportunity cost) and their relation to product prices and consumer spending; EPF.10.A

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**b** describing common types of contracts and the implications of each; EPF.10.B

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**c** demonstrating comparison-shopping skills; EPF.10.C

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**d** examining the importance of maintaining a system for personal financial records; EPF.10.D

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**e** examining the impact of advertising and marketing on consumer demand and decision making in the global marketplace; EPF.10.E

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**f** accessing reliable financial information from a variety of sources; EPF.10.F

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**g** explaining consumer rights, responsibilities, remedies, and the importance of consumer vigilance; and EPF.10.G

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**h** examining precautions for protecting identity and other personal information. EPF.10.H

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The student will demonstrate knowledge of planning for living and leisure expenses by EPF.11

**a** comparing the costs and benefits of purchasing vs. leasing a vehicle; EPF.11.A

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**b** calculating the total costs of owning and operating a vehicle; EPF.11.B

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**c** comparing the costs and benefits of renting vs. purchasing a residence; EPF.11.C

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**d** describing the process of renting a residence; EPF.11.D

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**e** describing the process of purchasing a residence; EPF.11.E

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**f** calculating the cost of utilities, services, maintenance, and other residential expenses; and EPF.11.F

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**g** evaluating discretionary spending decisions. EPF.11.G

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The student will demonstrate knowledge of banking transactions by EPF.12

**a** evaluating services and related costs associated with personal banking; EPF.12.A

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**b** differentiating among types of electronic monetary transactions; EPF.12.B

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**c** preparing all forms necessary for opening and maintaining a checking and a savings account; EPF.12.C

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**d** reconciling bank statements; EPF.12.D

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**e** comparing costs and benefits of online and traditional banking; and EPF.12.E

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**f** examining how financial institutions affect personal financial planning. EPF.12.F

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The student will demonstrate knowledge of credit and loan functions by EPF.13

**a** evaluating the various methods of financing a purchase; EPF.13.A

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**b** analyzing credit card features and their impact on personal financial planning; EPF.13.B

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**c** identifying qualifications needed to obtain credit and the information needed to complete a credit application; EPF.13.C

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- d** examining basic provisions of credit and loan laws; EPF.13.D

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  - e** comparing terms and conditions of various sources of consumer credit; EPF.13.E

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  - f** identifying strategies for effective debt management, including sources of assistance; EPF.13.F

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  - g** explaining the ways to build and maintain a good credit rating and the ramifications of an individual's credit score; EPF.13.G

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  - h** comparing the costs and conditions of secured and unsecured loans; EPF.13.H

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  - i** comparing the types of voluntary and involuntary bankruptcy and the implications of each; and EPF.13.I

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  - j** comparing amortization schedules for a loan based on principal, time, annual percentage rate (APR), and different credit ratings. EPF.13.J
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The student will demonstrate knowledge of the role of insurance in risk management by EPF.14

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- a** identifying different ways to manage risk; EPF.14.A

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  - b** evaluating insurance as a risk management strategy; EPF.14.B

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  - c** distinguishing among the types, costs, and benefits of insurance coverage, including identity theft, automobile, life, property, and health; and EPF.14.C

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  - d** examining potential ramifications of lifestyle choices on premiums, insurability, and employability. EPF.14.D
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The student will demonstrate knowledge of income earning, taxes, and reporting by EPF.15

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- a** differentiating among sources of income; EPF.15.A

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  - b** calculating gross and net pay; EPF.15.B

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  - c** investigating employee benefits and incentives (e.g., pretax savings opportunities); EPF.15.C

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  - d** describing the types and purposes of local, state, and federal taxes and the way each is levied and used; EPF.15.D

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  - e** exploring how tax structures affect individuals of different income levels; EPF.15.E

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  - f** computing local taxes on products and services; EPF.15.F

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  - g** explaining the content and purpose of a standard W-2 form; EPF.15.G

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  - h** completing standard employment tax forms; and EPF.15.H

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  - i** describing information relevant to the completion of state and federal income tax forms. EPF.15.I
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The student will demonstrate knowledge of personal financial planning by EPF.16

- a identifying short-term and long-term personal financial goals; EPF.16.A
- b identifying anticipated and unanticipated income and expenses; EPF.16.B
- c defining terminology associated with inheritance and estate planning; EPF.16.C
- d examining components and purposes of a personal net worth statement; EPF.16.D
- e developing a personal budget; EPF.16.E
- f investigating the effects of government actions and economic conditions on personal financial planning; and EPF.16.F
- g explaining how economics influences a personal financial plan. EPF.16.G

The student will demonstrate knowledge of investment and savings planning by EPF.17

- a comparing the impact of simple interest vs. compound interest on savings; EPF.17.A
- b comparing various options for investment and savings; EPF.17.B
- c examining the fundamental workings of Social Security and the system's effects on retirement planning; EPF.17.C
- d comparing various options for long-term planning (e.g., Virginia529 Plan, retirement plans); and EPF.17.C
- e describing how the stock market works. EPF.17.D

The student will demonstrate knowledge of financing postsecondary education by EPF.18

- a identifying costs and benefits of postsecondary education; EPF.18.A
- b identifying sources of postsecondary education funding; EPF.18.B
- c identifying the purpose of the Free Application for Federal Student Aid (FAFSA) in determining eligibility for grants, scholarships, and loans and the essential information needed to complete it; EPF.18.C
- d describing types of aid which do not require repayment, including federal, state, and institutional grants; EPF.18.D
- e describing types of scholarships and identifying scholarship scams; EPF.18.E
- f examining types of student loans, including federal and private, and understanding the associated risks; EPF.18.F
- g examining the requirements to remain eligible for financial aid; EPF.18.G
- h explaining repayment requirements and options for student loans, including income-appropriate repayment plans and options for loan forgiveness, cancellation, and discharge; EPF.18.H

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**i** describing the options for borrowers struggling to make payments and the consequences of failure to repay student loans; EPF.18.I

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**j** describing benefits, eligibility requirements, and tax implications of state-sponsored tax-advantage-qualified tuition plans as investment options for postsecondary education (e.g., Virginia529 Plan); EPF.18.J

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**k** identifying the multiple pathways to postsecondary education and career preparedness; EPF.18.K

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**l** identifying parts of a financial award letter; EPF.18.L

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**m** identifying the student loan default rates of postsecondary institutions in Virginia; EPF.18.M

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**n** describing appropriate income levels needed to support student loan borrowing. EPF.18.N

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