



BUSINESS & COMPUTER SCIENCE

COURSE: Business Essentials

UNIT 12: Economics



INTRODUCTION

Annotation:

The American economy is based on a private enterprise system in which the millions of individual choices made by consumers, workers, and citizens, in sum, affect the decisions made by business owners and government officials. The preservation and effectiveness of such a system depends on the ability of individuals to make wise economic decisions related to their personal financial affairs, the successful operation of organizations, and the economic activities of the country. In order to make these informed decisions, individuals must understand how the system operates as well as their role in the system. The concepts contained in these standards are important for the successful management of personal financial and business activities. They link to basic economic concepts that all students should master.

Grade(s):

x	9 th
x	10 th
x	11 th
x	12 th

Time: 4 – 90 minute blocks

Author: David Mowery

Additional Author(s): Amy Blanton & Small Business Development Pathway Team

Students with Disabilities:

For students with disabilities, the instructor should refer to the student's IEP to be sure that the accommodations specified are being provided. Instructors should also familiarize themselves with the provisions of Behavior Intervention Plans that may be part of a student's IEP. Frequent consultation with a student's special education instructor will be beneficial in providing appropriate differentiation.



FOCUS STANDARDS

GPS Focus Standards:

SSEF1 The student will explain why limited productive resources and unlimited wants result in scarcity, opportunity costs and trade offs for individuals, businesses and governments.

- a. Define scarcity as a basic condition which exists when limited productive resources exceed unlimited wants.
- b. Define and give examples of productive resources as land (natural), labor (human), capital (capital goods), entrepreneurship.
- c. List a variety of strategies for allocating scarce resources.
- d. Define opportunity cost as the next best alternative given up when individuals, businesses and governments confront scarcity by making choices.
- e. Explain economic utility as it relates to relative worth of goods and services in an exchange.

SSEF4 The student will compare and contrast different economic systems, and explain how they answer the three basic economic questions of what to produce, how to produce and for whom to produce.

- a. Compare command, market, and mixed economic systems with regard to private ownership, profit motive, consumer sovereignty, competition, government regulation.
- b. Evaluate how well each type of system answers the three economic questions and meets the broad social and economic goals of freedom, security, equity, growth, efficiency and stability.

GPS Academic Standards:

MM1P4. Students will make connections among mathematical ideas and to other disciplines.

National / Local Standards / Industry / ISTE: NBEA – National Business Educators Association

I. Allocation of Resources

Achievement Standard: Assess opportunity costs and trade-offs involved in making choices about how to use scarce economic resources.

II. Economic Systems

Achievement Standard: Explain why societies develop economic systems, identify the basic features of different economic systems, and analyze the major features of the U.S. economic system.

III. Economic Institutions and Incentives

Achievement Standard: Analyze the role of core economic institutions and incentives in the U.S. economy.

IV. Markets and Prices

Achievement Standard: Analyze the role of markets and prices in the U.S. economy.

V. Market Structures

Achievement Standard: Analyze the different types of market structures and the effect they have on the price and the quality of the goods and services produced.

VI. Productivity

Achievement Standard: Explain the importance of productivity and analyze how specialization, division of labor, investment in physical and human capital, and technological change affect productivity.

VII. The Role of Government

Achievement Standard: Analyze the role of government in economic systems, especially the role of government in the U.S. economy.

VIII. International Economic Concepts

Achievement Standard: Examine the role of trade, protectionism, and monetary markets in the global economy.

IX. Aggregate Supply and Aggregate Demand

Achievement Standard: Analyze how the U.S. economy functions as a whole and describe selected macroeconomic measures of economic activity.



UNDERSTANDINGS & GOALS

Enduring Understandings:

- Students will understand the United States' six economic goals.
- Students will understand the intricacies of different types of economic systems.
- Students will understand why and how scarcity of productive resources affects individuals, businesses and governments.
- Students will understand why individuals, businesses and governments must allocate scarce resources.

Essential Questions:

- What is scarcity?
- What are opportunity costs?
- How are command economies, market economies and mixed economies different from each other?
- What is economic utility?

Knowledge from this Unit:

- Define scarcity as a basic condition which exists when limited productive resources exceed unlimited wants.
- Define and give examples of productive resources as land (natural), labor (human), capital (capital goods), entrepreneurship.
- List a variety of strategies for allocating scarce resources.
- Define opportunity cost as the next best alternative given up when individuals, businesses and governments confront scarcity by making choices.
- Explain economic utility as it relates to relative worth of goods and services in an exchange.
- Compare command, market, and mixed economic systems with regard to private ownership, profit motive, consumer sovereignty, competition, government regulation.
- Evaluate how well each type of system answers the three economic questions and meets the broad social and economic goals of freedom, security, equity, growth, efficiency and stability.
- Know the four productive resources

Skills from this Unit:

- Students will be able to analyze situations to determine trade offs and opportunity costs.
- Students will be able to explain how each society answers the three economic questions.
- Students will be able to analyze each of the United States' economic goals and how they strengthen the overall economy.



ASSESSMENT(S)

Assessment Method Type:

- Pre-test
- Objective assessment - multiple-choice, true- false, etc.
 - Quizzes/Tests
 - Unit test
 - Vocabulary
- Individual project
- Self-assessment - May include practice quizzes, games, simulations, checklists, etc.
 - Self-check rubrics
 - Journal reflections on concepts, personal experiences and impact on one's life
 - Reflect on evaluations of work from teachers, business partners, and competition judges
 - Academic prompts
 - Practice quizzes/tests
- Subjective assessment/Informal observations
 - Essay tests
 - Observe students working with partners
 - Observe students role playing
- Peer-assessment
 - Peer editing & commentary of products/projects/presentations using rubrics
 - Peer editing and/or critiquing
- Dialogue and Discussion
 - Student/teacher conferences
 - Partner and small group discussions
 - Whole group discussions
 - Interaction with/feedback from community members/speakers and business partners
- Constructed Responses
 - Chart good reading/writing/listening/speaking habits
 - Application of skills to real-life situations/scenarios
- Post-test

Assessment(s) Title:

Island Simulation Group Activity
Saturday Night Trade-off Activity
Economic Systems GO
Productive Resources GO
T Shirt Organizer

Assessment(s) Description/Directions:

See below in Learning Experiences

Attachments for Assessment(s): Please list.

Island Simulation Group Activity.doc
Saturday Night Trade-off Activity.doc
Economic Systems GO.doc
Productive Resources GO.doc
T shirt Oragnizer.doc



LEARNING EXPERIENCES

Sequence of Instruction:

1. Identify the Standards. Standards should be posted in the classroom for each lesson:

SSEF1 The student will explain why limited productive resources and unlimited wants result in scarcity, opportunity costs and trade offs for individuals, businesses and governments.

- f. Define scarcity as a basic condition which exists when limited productive resources exceed unlimited wants.
- g. Define and give examples of productive resources as land (natural), labor (human), capital (capital goods), entrepreneurship.
- h. List a variety of strategies for allocating scarce resources.
- i. Define opportunity cost as the next best alternative given up when individuals, businesses and governments confront scarcity by making choices.
- j. Explain economic utility as it relates to relative worth of goods and services in an exchange.

SSEF4 The student will compare and contrast different economic systems, and explain how they answer the three basic economic questions of what to produce, how to produce and for whom to produce.

- c. Compare command, market, and mixed economic systems with regard to private ownership, profit motive, consumer sovereignty, competition, government regulation.
- d. Evaluate how well each type of system answers the three economic questions and meets the broad social and economic goals of freedom, security, equity, growth, efficiency and stability.

2. Review Essential Questions:

- What is scarcity?
- What are opportunity costs?
- How are command economies, market economies and mixed economies different from each other?
- What is economic utility?

3. Identify and review the unit vocabulary

Business cycles	Economic systems	Natural resources
Capital goods	Economics	Needs
Capitalism	Human capital	Privatization
Command economy	Inflation	Producer
Communism	Labor	Recession
Competition	Market economy	Socialism
Demand	Mixed economy	Supply
Depression		Utility
		Wants

4. Related FBLA Competitive Events:

Economics

Lesson 1 – Introduction to Economics – Scarcity & Opportunity Costs (2 days)

Essential Question:

- What is scarcity?
- What are opportunity costs?

Discussion & Activity:

Begin this unit with the **Saturday Night Trade-off Activity**

Scarcity is one topic that is considered a major item for students to understand in order to deal effectively in the economy.

No one in this world can truly say that they have enough of everything. There are always wants and needs left unsatisfied. This lesson deals with scarcity and leads students to make decisions on how to maximize satisfaction when making choices.

Students are required to prepare several lists to check their understanding of the topic.

Objectives:

- To let students get better acquainted with each other.
- To have students address issues of scarcity and needs versus wants.
- To let students develop leadership within small group settings.
- To demonstrate the need for rules and guidelines in life.

Instructions:

1. Divide class into small equal groups of 3-5. (I always assign group members and do this ahead of time so I can get equal boy/girl distribution and also group “unlikely to work together” students together – you may not have the luxury of getting stranded on an island with your best friends!)
2. Pass out the **Island Simulation** information to each group and read over the situation and assignment.
3. Pass out the grading rubric.
4. Each group will present their survival plan to the class.
5. The follow up activity will be a reflection paper by each student on how they felt about the group activity and any changes they would make after listening to all of the survival plans.

Lesson 2 – Economic Systems (1 day)

Essential Question:

- How are command economies, market economies and mixed economies different from each other?

Discussion & Activity:

Distribute the **Economic Systems GO** and **Productive Resources GO** activities. Have the students use a variety of classroom resources – internet, textbooks, etc to complete the activities. Review the activities with the class upon completion.

Lesson 3 – Supply & Demand (1 day)

Essential Question:

- How are command economies, market economies and mixed economies different from each other?

Discussion & Activity:

Ask students to consider the following questions related to supply and demand:

- Professional athletes: How much is a superstar in the NBA or WNBA (such as Shaquille O'Neal, LeBron James, Lisa Leslie, Chamique Holdsclaw) paid compared to an average player?
- Automobiles: Do you think you'd pay more for a 1962 Corvette or a 2004 Corvette (assuming that both are in good condition)?
- Rocks: Which costs more, diamonds or gravel?

Ask students why they think some items are more expensive than others. Try to lead the discussion so that students realize that rare things like superstars, antique automobiles, and diamonds are in short supply. So that students think about scarcity, you might ask questions such as, "How many superstars are there in the league, and how many average players are there?" Consequently, students should realize that the cost for the special items is usually higher, because they are harder to acquire.

Explain to students that they will design a T-shirt and collect data on how much other students would be willing to pay for the shirt.

Divide students into groups of three. Explain that they have four to six minutes to create a design for a T-shirt. They should draw a quick sketch of their design on the **T Shirt Organizer**.

Once shirts have been designed, allow students five minutes to survey their classmates regarding how much they would be willing to pay for various designs. On the **T Shirt Organizer**, students should make tick marks by each price indicating the number of students who would pay that price. For instance, if a student says that she would pay up to \$12 for the shirt, a tick mark should be made on the line next to \$12. If a student says that he would not buy the shirt at all, a tick mark should be made next to \$0.

Students should then plot the data on a graph of Cost in Dollars versus Number Sold. However, it is important that students take into account that if a classmate states that they would buy the shirt for a particular price, **it can be assumed that they would also buy the shirt for any price less than that price.** For instance, if a student says she would pay \$12 for the shirt, it can be assumed that she would buy the shirt for \$3, \$8, or any price up to \$12. This should be reflected in the graph. As a result, the graph will represent a negative correlation.

Attachments for Learning Experiences:

Island Simulation Group Activity.doc
Saturday Night Trade-off Activity.doc
Economic Systems GO.doc
Productive Resources GO.doc
T Shirt Organizer.doc

Notes & Reflections:

All lessons are written in a 90-minute block format. However, each lesson can be divided for a 50 minute class period. It is the responsibility of the instructor to find a natural point in each lesson to divide the activities up over multiple class periods.



CULMINATING PERFORMANCE TASK

Culminating Unit Performance Task Title:

Culminating Unit Performance Task Description/Directions/Differentiated Instruction:

Attachments for Culminating Performance Task:



UNIT RESOURCES

Web Resources:

www.thirteen.org

Attachment(s):

Materials & Equipment:

Computer Lab with Internet access and Microsoft Office software

Presentation equipment

What 21st Century Technology was used in this unit:

<input checked="" type="checkbox"/>	Slide Show Software	<input type="checkbox"/>	Graphing Software	<input type="checkbox"/>	Audio File(s)
<input checked="" type="checkbox"/>	Interactive Whiteboard	<input type="checkbox"/>	Calculator	<input type="checkbox"/>	Graphic Organizer
<input type="checkbox"/>	Student Response System	<input checked="" type="checkbox"/>	Desktop Publishing	<input checked="" type="checkbox"/>	Image File(s)
<input type="checkbox"/>	Web Design Software	<input type="checkbox"/>	Blog	<input type="checkbox"/>	Video
<input type="checkbox"/>	Animation Software	<input checked="" type="checkbox"/>	Wiki	<input type="checkbox"/>	Electronic Game or Puzzle Maker
<input checked="" type="checkbox"/>	Email	<input checked="" type="checkbox"/>	Website		
