

ECONOMICS STANDARDS

HIGH SCHOOL

ECONOMICS I. ALLOCATION OF RESOURCES

- Resources: Evaluate the trade-offs of alternatives for solving societal problems according to economic goals. (e.g. economic growth, equity, efficiency, security, employment, stability, and freedom)

ECONOMICS II. ECONOMIC SYSTEMS

- Economic Systems: Analyze existing economies and how they answer the three questions every economic system must answer.
- Economic Systems: Explain how change in one component of the circular flow of economic activity affects other components.
- Economic Systems: Critique command, mixed, and market economies based on the U.S. economic goals of freedom, efficiency, equity, security, employment, stability, and growth.

ECONOMICS III. ECONOMIC INSTITUTIONS AND INCENTIVES

- Institutions and Incentives: Describe the role of profit in our economy and the relationship of profit to risk and uncertainty
- Institutions and Incentives: Identify the various forms of business organizations and the limitations and rewards associated with each. (sole proprietorship, partnership, corporation)
- Institutions and Incentives: Explain how individuals or family units provide productive resources of land, labor, capital, and entrepreneurships.
- Institutions and Incentives: Identify and analyze why private ownership, making individual choices, and limited government involvement are important concepts in all areas of the U.S. market economy.
- Institutions and Incentives: Identify the roles of profit and competition in a market-oriented economy.

ECONOMICS IV. MARKETS AND PRICES

- Supply/Demand: Analyze the relationship of relative price to scarcity when prices are set by the market forces of supply and demand.
- Supply/Demand: Identify determinants of supply and demand.
- Supply/Demand: Demonstrate an understanding of the supply and demand curves that show increases and decreases in quantity supplied and quantity demanded.
- Supply/Demand: Demonstrate an understanding of the supply and demand curves when there are increases and decreases in supply and demand and explain why these changes occur.
- Supply/Demand: Illustrate how a change in price affects quantity demanded or quantity supplied.
- Supply/Demand: Explain and illustrate how the equilibrium price changes according to changes in supply or demand.
- Supply/Demand: Explain and illustrate how a market reacts to shortages and surpluses with no government intervention.
- Supply/Demand: Describe the concept of elasticity and inelasticity.
- Supply/Demand: Explain how efficient production and allocation of goods and services in a market economy are based on pricing information.
- Supply/Demand: Explain why changes in prices of resources create incentives/disincentives for resource allocation in the U.S. economy.
- Supply/Demand: Identify the effect of changes in the relative price of a substitute or complementary good on supply and demand.

ECONOMICS V. MARKETS STRUCTURES

- Market Structures: Describe the characteristics of an oligopoly and identify examples in the current market.
- Market Structures: Describe the characteristics of monopolistic competition and identify examples in the current market.
- Market Structures: Describe how collusion affects market competition.
- Market Structures: Discuss the major barriers to new firms entering a market and how the barriers affect the level of competition in an industry.
- Market Structures: 1. Give examples of positive and negative externalities (e.g. spillover costs) and analyze the government's role in correcting market failures (e.g. tax policies, subsidies, and regulations).
- Market Structures: Compare and contrast the different types of market structures.

ECONOMICS VI. PRODUCTIVITY

- Productivity: Assess opportunity costs and economic risks involved when investing in physical and human capital to increase productivity.
- Productivity: Discuss the effects of government expenditures, regulations, and tax policies on productivity.
- Productivity: Explain how investment in research and development affects productivity.
- Productivity: Distinguish between fixed, variable, explicit, and implicit costs.
- Productivity: Explain the principle of diminishing returns and illustrate how it relates to productivity.
- Productivity: Explain the law of profit maximization (e.g. marginal cost equals marginal revenue).
- Productivity: Differentiate between the lowest total cost, lowest marginal cost, and lowest average cost.

ECONOMICS IX. AGGREGATE SUPPLY AND AGGREGATE DEMAND

- Macroeconomics: Discuss major factors that affect the level of a country's Gross Domestic Product (GDP) (e.g. quantity and quality of natural resources, quantity and quality of human capital, and quantity and quality of capital stock).
- Macroeconomics: Locate the per capita GDP of various nations to compare the levels of economic well-being.