



Delaware Social Studies Standards & Performance Indicators

What Citizens Need to Know About Economics
addresses Delaware Social Studies Standards & Performance Indicators for the
economics component of the social studies curriculum grades 9-12.



ECONOMICS Standard One: Students will analyze the potential costs and benefits of personal economic choices in a market economy.

End of Cluster Expectations

By the end of grade 11 students will be able to:

demonstrate how individual economic choices are made within the context of a market economy in which markets influence the production and distribution of goods and services.

The areas listed above will serve as the basis for Social Studies assessment items in the Delaware Student Testing Program.

Performance Indicators

Topic: Microeconomics

High School Level

Students will be able to:

E.401 develop a personal financial plan that includes a budget, an investment portfolio, and the appropriate use of credit.

- Chapter 6 examines personal finance in the context of consumer credit. The appropriate use of credit is stressed and the consequences of poor financial management are described. Terms, such as bankruptcy and interest, are defined. A suggested activity for this chapter in the Educator's Guide requires students to create their own personal budget and a worksheet is included in the chapter for creating a personal budget.

E.402 explain what causes a shift in supply or demand and its relationship to production and distribution within a market economy.

- Chapter 8 explains what causes shifts in supply and demand. The relationship of supply and demand to production and distribution is also explored. Graphics are included to illustrate these concepts.

E.403 analyze the potential costs and benefits of a decision made by a consumer, a business firm, or a government within a market economy.

- *Chapter 2 explains how the costs and benefits of a decision can be analyzed using the production possibilities curve. Terms such as scarcity and opportunity costs are defined. Graphics are included to help illustrate these concepts.*
- *Chapter 4 examines the costs and benefits of consumer decisions. Concepts like diminishing utility and caveat emptor are defined and links are available to consumer protection Web sites maintained by the government and consumer watchdog groups.*
- *Chapter 7 analyzes the costs and benefits of decisions made by business firms. The law of diminishing returns is described and illustrated with a graphic. Links to related articles and Web sites are included for further research.*
- *Chapter 12 explores costs and benefits of decisions made by government. The use of cost/benefit ratios in determining what programs to fund in the federal budget is explained. Web links are included to governmental agencies involved in the budget-making process, such as the Office of Management and Budget and the Congressional Budget Office.*

E.404 explain how government policies impact markets and influence individual choices of households, businesses and government.

- *Chapter 9 explains how government policies impact markets and influence choices of households and businesses through the regulation of competition in the marketplace. Terms, such as pure competition, monopoly and oligopoly, are defined. Links are included to the complete texts of influential government legislation, like the Sherman Antitrust Act and the Robinson-Patman Act.*
- *Chapter 10 describes how government policies impact choices of businesses and employees as they regulate employee/management relations. Links are included to influential government legislation, such as the National Labor Relations Act and the Taft-Hartley Act.*
- *Chapter 12 explains how government policies impact markets and influence choices of households and businesses in the context of government regulations. Web links are included to many governmental regulatory agencies, including the Federal Trade Commission and the Environmental Protection Agency.*
- *Chapter 21 explores the impact of governmental policies related to American agriculture. The impacts that agricultural price protections and tariffs have on the domestic and international markets are explored. Links to related articles and Web sites provide specific examples.*
- *Chapter 22 examines the impact that government policies related to foreign trade have on households, businesses and governments, domestically and internationally. The debate between protectionism and free trade is explored and related articles and Web sites include opposing views of the free trade debate.*

- *Chapter 23 describes the impact of governmental policies on international markets. The 1971 decision by the U.S. government to abandon the gold standard is cited as an example. Links to related articles and Web sites provide more examples.*

E.405 explain that to determine the best level of consumption of a product people must compare the additional benefits with the additional costs of consuming a little more or a little less.

E.406 explain how the choices made by individuals, firms, or government officials in the short run often have long-run unintended consequences that can partially or entirely offset the initial effects of their decisions.

- *Chapter 2 explains how the production possibilities curve can be used to measure the long-term and short-term benefits and costs of economic decisions. A graphic is included to illustrate this concept.*
- *Chapter 4 describes the law of diminishing utility and explains how the additional costs will eventually outweigh the additional benefit of consuming a product. A graphic is provided to help illustrate this concept.*
- *Chapter 7 explains how the law of diminishing returns determines the best level of consumption of the factors of production for producing goods and services. This concept is illustrated with a graphic.*
- *Chapter 15 explains how economic choices can have short-term and long-term consequences. The multiplier effect and the accelerator effect are defined. The consequences of economic growth are also explored and problems associated with economic growth are identified.*

E.407 explain how government enforced price ceilings and price floors distort price signals and incentives to producers and consumers causing inefficient use of resources.

- *Chapter 21 describes how price floors and ceilings are used to protect American agricultural producers. The consequences of price floors and ceilings for producers and consumers domestically and internationally are described. The debate between protectionism and free market operations is discussed and links to related articles and Web sites offer opposing views of the debate.*

E.408 explain the roles of government in a market economy and analyze the impact on consumers and producers.

- *Chapter 4 explores the role of government to protect consumers. Concepts like caveat emptor are defined and links are available to consumer protection Web sites maintained by the government, such as the Consumer Product Safety Commission.*

- *Chapter 9 describes the role of government to maintain competition. The effects of unfair business practices on consumers and producers are examined. Links are provided to the complete texts of influential government legislation, like the Sherman Antitrust Act and the Robinson-Patman Act. The government's response to the business scandals that forced Enron and WorldCom into bankruptcy is also addressed.*
- *Chapter 12 explains the role of government in a market economy. The impact of government regulations on consumers and producers is described. Web links are included to many governmental regulatory agencies, such as the Federal Communications Commission and the Food and Drug Administration.*
- *Chapter 20 identifies the role of government to provide subsidies to the needy. A history of federal subsidies is provided and Web links are included to many governmental agencies that provide such services as Social Security, Medicare, Medicaid and Head Start.*

ECONOMICS Standard Two: Students will examine the interaction of individuals, families, communities, businesses, and governments in a market economy.

End of Cluster Expectations

By the end of grade 11 students will be able to:

develop an understanding of how economies function as a whole, including the causes and effects of inflation, unemployment, business cycles, and monetary and fiscal policies.

The areas listed above will serve as the basis for Social Studies assessment items in the Delaware Student Testing Program.

Performance Indicators

Topic: Macroeconomics

High School Level

Students will be able to:

E.409 explain the causes and effects of fluctuations in the business cycle in a market economy.

E.410 explain the causes (demand-side/supply-side) and effects of inflation.

- *Chapter 5 explains the causes and effects of inflation. The way the consumer price index (CPI) calculates the inflation rate is described and Web links are included to current CPI statistics and a program that calculates the value of a dollar for different time periods in U.S. history for a comparison of the effects of inflation.*
- *Chapter 15 examines the causes of inflation and explores the effects that inflation has on economic growth. Links to related articles and Web sites are included for further research and specific examples.*

- ***Chapter 16 describes the causes and effects of fluctuations in the business cycle. Terms, such as inflation, depression and recession, are defined. The impact of terrorism on the business cycle is also explored and the causes and effects of inflation are identified. An oral history of the Great Depression is included for examples of how fluctuations in the business cycle impact individuals.***

E.411 explain the causes and effects of unemployment.

- ***Chapter 19 examines the causes and effects of unemployment. Key concepts and terms, such as structural unemployment, displaced workers and discouraged workers, are defined. Web links include current statistics on unemployment from the federal government.***

E.412 explain the purposes and functions of fiscal policy.

E.413 explain how a society's use of its resource base impacts its economic growth as measured by GDP or GNP.

E.414 assess the state of an economy using economic indicators such as GDP/GNP, CPI, and unemployment and inflation rates.

E.415 analyze the impact of monetary and fiscal policies on the state of the economy as measured by such economic indicators as GDP/ GNP, CPI, and employment and inflation rates.

E.416 explain the goals and function of monetary policy.

E.417 explain how monetary and fiscal policies influence activity in a market economy.

- ***Chapter 1 identifies the major economic indicators the government uses to assess the state of the economy. Gross domestic product (GDP), consumer price index, unemployment and other indicators are identified and illustrated with graphics. The U.S. decision to change from calculating gross national product to calculating GDP is explained. Web links are included to governmental agencies that provide economic statistics.***
- ***Chapter 5 explains how the consumer price index (CPI) is used to determine the level of inflation or deflation. Web links are included to current CPI statistics and a program that uses CPI to compare the value of a dollar during different time periods in U.S. history.***
- ***Chapter 14 explains how gross domestic product (GDP) is calculated. The accuracy of GDP is debated and alternatives to the GDP, such as the human development index (HDI), are presented. Web links are included for current GDP and HDI statistics.***
- ***Chapter 15 describes how a society's use of its resource base impacts its economic growth as measured by gross domestic product (GDP). The differences between GDP, real GDP and per capita GDP are explained and Web links are included for current GDP statistics.***

- *Chapter 17 explains the purposes and functions of fiscal and monetary policies and describes the impact they have on the state of the economy and economic indicators like gross domestic product. The debate between Keynesian and supply-side economists is described and concepts like deficit financing and open market operations are defined. The role of the Federal Reserve System is described and links to related articles and Web sites include current information on U.S. fiscal and monetary policy decisions and their consequences.*

ECONOMICS Standard Three: Students will understand different types of economic systems and how they change.

End of Cluster Expectations

By the end of grade 11 students will be able to:

analyze the wide range of opportunities and consequences resulting from the current transitions from command to market economies in many countries.

The areas listed above will serve as the basis for Social Studies assessment items in the Delaware Student Testing Program.

Performance Indicators

Topic: Economic Systems

High School Level

Students will be able to:

E.418 define command, market, traditional, and mixed economies.

E.419 analyze how economic goals (equity, efficiency, freedom, growth, security, and stability) influence the way in which a society answers the three basic economic questions.

E.420 describe the advantages and disadvantages of command, market, traditional, mixed economies.

E.421 analyze the opportunities and consequences that may result in the change from one type of an economic system to another.

E.422 analyze how the role of government policies may affect the transition from one type of an economic system to another.

- *Chapter 2 identifies the three basic economic questions and explains how they interact. A graphic is included to illustrate this concept and links to related articles and Web sites are provided for further research and specific examples.*

- *Chapter 3 explains how economic goals influence the way in which a society answers the three basic economic questions. Command, market, traditional and mixed economies are defined and their advantages and disadvantages are identified. A comparison of capitalism, socialism and communism is included and the role of government is described. The opportunities and consequences that may result in the change from one type of an economic system to another is explored and the former Soviet Union is cited as an example. Different economic philosophers, from Adam Smith to Karl Marx, are highlighted and Web links are provided to their biographies and the complete texts of their most influential works.*

ECONOMICS Standard Four: Students will examine the patterns and results of international trade.

End of Cluster Expectations

By the end of grade 11 students will be able to:

analyze and interpret the influence of the distribution of the world's resources, political stability, national efforts to encourage or discourage trade, and the flow of investment on patterns of international trade.

The areas listed above will serve as the basis for Social Studies assessment items in the Delaware Student Testing Program.

Performance Indicators

Topic: International Trade

High School Level

Students will be able to:

E.423 explain the effect of the distribution of the world's resources on international trading patterns.

E.424 analyze how specialization influences patterns of international trade.

E.425 explain the relationship between political stability and international trade.

E.426 explain how international trade influences a nation's standard of living.

E.427 explain how a nation's use of its resources (capital, natural, and human) in the production process affects both what it exports and imports.

E.428 analyze the impact of national and international efforts to encourage and discourage international trade.

E.429 explain what determines the flow of investment (real interest rates, exchange rates, real income, price levels) between trading partners.

- *Chapter 22 describes many issues associated with international trade. Concepts like specialization, comparative advantage and standard of living are defined. The effects of the distribution of the world's resources on international trading patterns are explained. The way a nation's resources determine what it imports and exports is also described and specific examples are cited. The impact of trade barriers is also addressed and the debate between free trade and protectionism is discussed. Key terms, such as tariffs and quotas, are defined. Related articles provide opposing views of the free trade debate. The rise of regional trade organizations is explored and Web links are available to major trade organizations, including the North American Free Trade Agreement and the European Union.*
- *Chapter 23 explains what determines the flow of investment between trading partners. Concepts, like exchange rates, are explored and a Web link is included to a program that calculates the current exchange rate for the U.S. dollar and other currencies.*
- *Chapter 24 identifies issues associated with development. The relationship between political stability and international trade is described. The influence of trade on developing countries' standard of living is also addressed. The role of developed countries in helping to raise the standard of living in developing countries is discussed and Web links are included to international aid agencies, such as the U.S. Agency for International Development and the Grameen Bank.*