



Georgia Quality Core Curriculum Standards—Social Studies

What Citizens Need to Know About Economics

addresses Georgia Quality Core Curriculum Social Studies Standards for the economics component of the social studies curriculum grades 9-12.



Grades 9-12 Social Studies—Economics

1. Topic: Scarcity Opportunity Cost

Standard: Defines and applies the concepts of scarcity, decision-making, choice, and opportunity cost to problem situations.

- *Chapter 2 examines the relationship between scarcity, choice and opportunity cost. The terms scarcity and opportunity cost are defined and a graphic of the production possibilities curve is included to help illustrate this relationship.*

2. Topic: Supply and Demand

Standard: Relates the concept of supply and demand to scarcity.

- *Chapter 8 explains the laws of supply and demand. Graphics are included to help illustrate these concepts.*

3. Topic: Factors of Production

Standard: Explains how the four factors of production are utilized in the production process: land, labor, capital, entrepreneurship.

- *Chapter 2 identifies the factors of production as being: land, labor, capital and management (entrepreneurship). Web links provide current information on U.S. land and labor resources. A graphic is included to illustrate how the factors of production interact in the production process.*

4. Topic: Specialization

Standard: Relates specialization to efficient use of resources, and to domestic economic growth.

5. Topic: Specialization

Standard: Explains how specialization, savings, investment in capital goods (technology) and investment in human capital (labor) influence productivity and economic development.

- *Chapter 15 examines the factors that determine economic growth. Problems of growth, such as the loss of resources and other environmental concerns, are discussed and Web links include statistics on U.S. natural resources and the labor force.*
- *Chapter 22 explains how specialization relates to efficient use of resources and explores the impact of specialization on foreign trade and domestic industry.*
- *Chapter 24 explores issues associated with economic development. The importance of savings, investment in capital goods and human capital are stressed. Terms such as development and brain drain are defined. The plight of developing countries is discussed and the role of developed countries is considered. Web links are available to aid organizations, such as the U.S. Agency for International Development and the Grameen Bank.*

6. Topic Factors of Production

Standard: Discusses how the ownership of productive resources (land, labor, capital, technology and entrepreneurship) influences income distribution.

- *Chapter 3 explains how the ownership of productive resources is a factor that differentiates capitalism from socialism and communism.*
- *Chapter 7 identifies incentives, such as property rights, that influence the production of resources by entrepreneurs.*
- *Chapter 18 examines factors that influence income distribution in the United States. Concepts such as the working poor and the influence of discrimination on income distribution are discussed. Web links include current statistics on the distribution of income in the United States.*

7. Topic: Allocation of Resources

Standard: Identifies the three questions facing every economic system and analyzes how our society has organized to answer these questions.

- What will be produced?
- How will it be produced?
- For whom will it be produced?

8. Topic: Characteristics of Economic Systems

Standard: Identifies characteristics of the American economic system and analyzes the role of economic incentives for producers and consumers (e.g., equality of opportunity vs. equality of distribution of wealth).

9. Topic: Types of Economic Systems

Standard: Differentiates among traditional, command, market and mixed economic systems with regard to ownership of property, distribution of income, and role of government and economic incentives.

- *Chapter 2 identifies the three questions facing every economic system as being: What will be produced? How will it be produced? And, for whom will it be produced? A graphic is included to illustrate the relationship among these questions.*
- *Chapter 3 explores how different economic systems attempt to answer these questions. The mixed economic system of the United States can be compared and contrasted with the traditional caste system of India and the command systems of ancient Egypt and the former Soviet Union. Web links provide more information on these economic systems. A comparison of capitalism, socialism and communism is also provided and the characteristics of each are identified. Differentiations of the economic systems, with regard to ownership of property, distribution of income, and role of government and incentives, are addressed. Web links include biographies of influential economic philosophers, such as Adam Smith and Karl Marx, and the complete texts of their most famous works.*

10. Topic: Microeconomics Consumers Households Businesses

Standard: Defines the term microeconomics and lists elements in the microeconomy (e.g., consumers, households, and businesses).

- *Chapter 1 defines the concept of microeconomics. A graphic is included to help differentiate microeconomics from macroeconomics. Web links are included for further information.*
- *Chapter 4 examines the role of households as consumers in an economic system. Concepts such as conspicuous consumption, diminishing utility and caveat emptor are discussed. Links to related articles and Web sites are included for further research.*
- *Chapter 7 identifies the role of businesses in an economic system. The role of the entrepreneur is described and Web links are available to biographies of influential entrepreneurs, such as Ray Kroc, the founder of McDonald's and Bill Gates, the founder of Microsoft.*

11. Topic: Price Determination

Standard: Identifies how supply and demand determine prices.

- *Chapter 8 identifies how the law of supply and law of demand determine prices. Graphics are included to help illustrate these concepts.*

12. Topic: Economic Exchange

Standard: Uses a historical perspective to explain how economic transactions have been and are facilitated, by using barter, money credit cards, ATM machines, electronic transfers, etc.

- *Chapter 11 traces the history of money from ancient times to the present. Terms such as barter, money and electronic fund transfers are defined. Links to related articles and Web sites are included for more information.*

13. Topic: Circular Flow

Standard: Illustrates the economic relationship among households, businesses and governments by using a diagram of the circular flow of resources, goods, services and money payments through markets.

- *Chapter 7 examines the relationship among households and businesses and the circular flow of investment capital is described and illustrated with a graphic.*
- *Chapter 14 explains the circular-flow-of-money principle and includes graphics to illustrate the relationship among households, businesses and the government. Links to related articles and Web sites are included for further research.*

14. Topic: Types of Businesses

Standard: Compares and contrasts the various forms of business organizations, the advantages and disadvantages of each and the sources of funding for these various enterprises.

- sole proprietorship
- partnership, and
- corporations.

- *Chapter 7 examines the role of businesses in an economic system. Various forms of business organizations—sole proprietorships, partnerships and corporations—are defined. The advantages and disadvantages of each are discussed, as are sources of funding. The way the stock market provides capital for corporate investment is discussed and Web links to major stock exchanges around the world, including the New York Stock Exchange, the London Stock Exchange and the Tokyo Stock Exchange, are provided.*

15. Topic: External Economic Factors

Standard: Analyzes the economic impact of the following problems:

- natural disasters
- financial disasters
- environmental issues
- downsizing, and
- crime.

- *Chapter 9 explores the economic impact of corporate crimes in the context of business ethics. The indictment of executives in the WorldCom, Enron and Adelphia Communications Corp. scandals are cited as examples. The response of the government is presented and Links to related articles and Web sites provide more information.*
- *Chapter 15 identifies problems associated with economic growth, including environmental issues such as pollution. Links to related articles and Web sites are included for further research.*
- *Chapter 16 explores the economic impact of financial disasters. The Great Depression and the September 11, 2001, terrorist attacks are cited as examples. Oral histories from the Great Depression are included.*
- *Chapter 19 examines the economic impact of downsizing in relation to unemployment. Web links include current statistics on unemployment in the United States.*
- *Chapter 20 explains how the government responds to the economic impact of natural disasters through the Federal Emergency Management Agency (FEMA). A Web link to FEMA is included for further exploration of this topic.*
- *Chapter 21 examines the economic impact of natural disasters on American farms. The impact of weather conditions on the supply and price of agricultural products is cited as an example. The government response to these conditions is also discussed.*

16. Topic: Types of Market Structure

Standard: Identifies and gives examples of various types of market structures (competition, monopolistic competition, monopoly and oligopoly).

- *Chapter 9 examines competition in a market economy. Concepts such as monopoly, oligopoly and pure competition are defined. The response of the government to unfair business practices is discussed and Web and article links include the complete texts of influential governmental antitrust legislation, such as the Sherman Antitrust Act and the Robinson-Patman Act.*

17. Topic: Influence of Organized Labor

Standard: Describes the impact of organized labor on the American economy.

18. Topic: Current Labor Issues

Standard: Identifies and analyzes current issues facing organized labor.

19. Topic: Career Opportunities

Standard: Compares job qualifications, personal qualities, educational training and income benefits associated with various careers.

- *Chapter 10 examines the role of labor and labor unions in an economic system. A history of labor in the United States is provided and current labor issues are identified. Career opportunities are also discussed in this chapter. Web links are included to major labor organizations in the United States, such as the Teamsters and the AFL-CIO. Another Web link is provided to the Department of Labor's Occupational Outlook Handbook, which explores trends in the labor market and identifies job requirements and the future outlook for specific occupations.*
- *Chapter 19 explores issues associated with unemployment. Concepts such as displaced workers and underemployed workers are defined. Web links include current statistics on the U.S. labor force.*

20. Topic: Banking Functions

Standard: Describes banking functions.

- saving
- investing, and
- borrowing and lending rates.

- *Chapter 11 describes the functions of banks in an economic system. Concepts such as saving, investing and borrowing and lending rates are discussed. Different types of banks are identified and the role of the Federal Reserve System is examined. Web links are included to all branches of the Federal Reserve.*

21. Topic: Consumer Issues

Standard: Discusses criteria for selecting institutions to meet individual and family financial needs

- home loans
- consumer loans
- credit cards
- finance companies, and
- interest rates (simple/compound).

- *Chapter 4 identifies issues that concern consumers. Concepts such as diminishing utility and caveat emptor are defined. Web links include consumer protection sites maintained by the government and consumer watchdog groups.*
- *Chapter 6 explores issues associated with consumer credit. The concept of maintaining proper credit is discussed and the impact of loans and credit cards on consumer debt is examined. Issues associated with interest rates are also described in this chapter and the differences between simple and compound interest rates are explained.*
- *Chapter 11 examines the role of banks in an economic system. The way interest rates are set and the role of the Federal Reserve System is identified. Web links are included to all branches of the federal government.*

22. Topic: Role of Regulatory Agencies

Standard: Identifies and evaluates the effects of government regulation on consumers and producers in the American economy.

- *Chapter 9 explains how governments regulate unfair business practices. Concepts such as oligopolies and monopolies are defined. Links are available to the complete texts of important governmental legislation, such as the Sherman Antitrust Act and the Robinson-Patman Act.*
- *Chapter 12 identifies the role of government in an economic system. The effects of governmental regulations are discussed and Web links are provided to many governmental regulatory agencies, such as the Environmental Protection Agency and the Federal Communications Commission.*

23. Topic: Macroeconomics Key Economic Indicators

Standard: Explains how the key indicators of economic performance measure the general condition and direction of the economy

-GDP

-consumer price index (CPI) and

-unemployment rate.

- *Chapter 1 identifies the key economic indicators that measure the general condition and direction of the economy. Graphics are included for all economic indicators and Web links are provided to the governmental organizations that maintain these statistics, including the Commerce Department and the White House's Economics Statistics Briefing Room.*
- *Chapter 5 examines the consumer price index (CPI) and explains how it determines the cost of living. Graphics are included and Web links provide current CPI figures.*
- *Chapter 14 presents more information on the gross domestic product (GDP). The way that the Bureau of Economic Analysis calculates GDP is described and the accuracy of GDP is debated. Alternatives to the GDP, such as the human development index (HDI), are identified and Web links include current GDP and HDI statistics.*
- *Chapter 19 examines issues associated with unemployment. The way the government calculates the unemployment rate is discussed and concepts such as discouraged workers and underemployed workers are defined. Web links include current unemployment statistics from the Bureau of Labor Statistics.*

24. Topic: Aggregate Supply and Demand

Standard: Explains how aggregate supply and demand reflect the overall activity of the economy.

- *Chapter 15 defines aggregate supply and demand and explains how they reflect the overall activity of the economy. Links to related articles and Web sites are included for more research.*
- *Chapter 17 identifies the importance of aggregate demand in maintaining equilibrium in the gross domestic product that would allow for a stable economy. Web links include current GDP statistics and information on the current state of the economy.*

25. Topic: Types of Unemployment

Standard: Explains causes and effects of unemployment and distinguishes among the basic types of unemployment.

- *Chapter 19 identifies different types of unemployment and explains their causes and effects. Terms, such as discouraged workers, underemployed workers and disadvantaged workers, are defined. Web links provide current unemployment statistics from the government.*

26. Topic: Minority Issues

Standard: Explains the impact of women and minorities in the economy.

- wage earners
- entrepreneurial/managerial
- savings & investment/debt
- consumerism
- education, and
- child rearing

- *Chapter 3 highlights the writings of economist Charlotte Perkins Gilman who's book Women and Economics first explored the impact of economic choices on women. A Web link is available to the complete text of this book.*
- *Chapter 6 examines issues of consumer credit and explains how minority groups and college students are often taken advantage of by loan sharks and "pay day loan" businesses that charge high interest for short-term loans. Links to related articles and Web sites are included for further information.*
- *Chapter 10 explores the impact of women and minorities in the labor force. The contributions of women and minorities in the labor force are described and a graphic is included that identifies the percentage of women in the labor force over the past century. A Web link to the Women's Bureau of the Department of Labor is also included. This chapter also examines issues of minorities in the labor market including pay disparity. Web links are included for more information on affirmative action programs, the Equal Pay Act and the Americans with Disabilities Act.*
- *Chapter 11 identifies how banking practices impact minorities. Concepts such as redlining, the denial of loans to minorities or people with low incomes, are defined.*

- *Chapter 18 identifies the economic class structure of the United States. The unequal distribution of wealth is discussed and its impact on minorities and women are identified. Web links provide current statistics on economic classes in the U.S.*
- *Chapter 20 explains how the government provides subsidies to correct the disparity in the distribution of income. Aid for education, child rearing and food programs are described and Web links are included to governmental agencies that run these programs, such as Head Start, Medicaid and the USDA's Food Stamps program. The impact these programs have on minority groups in the U.S. is also discussed.*

27. Topic: Business Cycle Economic Cycle

Standard: Identifies and analyzes the nature and causes of inflation and deflation and describes their impact on economic decisions made by businesses and households.

- *Chapter 16 identifies the business cycle. The nature and causes of inflation and deflation are described along with the impact on economic decisions made by businesses, households and the government. The impact of terrorism on the economic cycle is also discussed and an oral history of the Great Depression is included.*

28. Topic: Role of Federal Reserve Monetary Policy

Standard: Describes and explains the organization of the Federal Reserve System and how it regulates the money supply.

- reserve requirement
- discount rate, and
- open-market operations.

- *Chapter 11 describes the role of the Federal Reserve System to regulate the money supply. The way the Federal Reserve System makes money is explained and terms such as reserve requirements and discount rate are defined. Web links are included to all branches of the Federal Reserve System.*
- *Chapter 17 explains how the Federal Reserve uses monetary policy to regulate the money supply and maintain a stable economy. The role of the Federal Reserve Open Market Committee is discussed and a Web link is provided.*

29. Topic: Fiscal Policy

Standard: Explains how the federal government's taxing, spending and borrowing policies affect the consumer, the producer and the overall economy.

- productivity
- Inflation/recession
- national debt, and
- types of taxation

- *Chapter 12 examines the budget making process and explains how the government spends and borrows money for governmental programs. Web links are included to major governmental organizations including the Congressional Budget Office and the Office of Management and Budget.*
- *Chapter 13 explains how taxes are used to pay for governmental programs. The concept of a fair tax is described and types of taxation—proportional, regressive and progressive—are defined. A Web link is included to the Internal Revenue Service for information on current tax policies.*
- *Chapter 17 describes how the government uses fiscal policy to maintain a stable economy. The options to government administrations in dealing with inflation or recession, such as deficit financing, are discussed. The debate between Keynesian and supply-side economists is also identified. Links to related articles and Web sites provide current information on fiscal and monetary policy decisions.*

30. Topic: International Trade

Standard: Explains why countries trade and how economic specialization promotes interdependence among nations.

31. Topic: International Trade Issues

Standard: Identifies and analyzes some of the issues associated with international trade.

- exchange rates
- balance of payments
- most favored nation status, and
- trade agreements

- *Chapter 22 explores issues related to foreign trade including concepts such as specialization and most favored nation status. The debate between free trade and protectionism is identified and the rise of regional trade agreements is described. Web links are included to major international trade organizations, such as the North American Free Trade Agreement and the European Union.*
- *Chapter 23 describes the interdependence of the global economy. Concepts such as exchange rates and balance of payments are defined. A Web link is included to a program that calculates the current exchange rate for the U.S. dollar and foreign currencies.*