



Minnesota High Standards—Economics and Business

What Citizens Need to Know About Economics
addresses select Minnesota Economics and Business High Standards for the economics component of the economics and business curriculum grades 9-12.



Standard: Economic Systems
Grades: High Grades 9-12

Through the use of the fundamental concepts of economics, a student shall demonstrate understanding of the interactive nature of global, national, and local economic systems, how government decisions impact those systems, and how individuals, households, businesses, and governments use scarce resources to satisfy unlimited wants and needs by:

A. analyzing a public issue in terms of production, distribution, and consumption;

- *Chapter 2 explains how economic systems are concerned with the production, distribution and consumption of goods and services. All three terms are defined in this chapter. Links to related articles and Web sites are included for current examples.*

B. analyzing how change in the economy affects individuals, households, business, government, and the environment;

- *Chapter 4 examines the role of the consumer in an economic system. The way change in the economy affects individuals and households are discussed. Concepts, such as discretionary income and diminished utility, are defined.*
- *Chapter 7 explains how businesses are impacted by changes in the economy. The impact that changes in the stock market have on businesses is also mentioned. Web links are included to major stock exchanges around the world, including the New York Stock Exchange, the London Stock Exchange and the Tokyo Stock Exchange.*
- *Chapter 12 considers the role of government in economic systems. The impact that a change in the economy has on governmental budgets is discussed. Web links are included to major governmental organizations, such as the Office of Management and Budget and the Congressional Budget Office.*
- *Chapter 15 highlights issues associated with economic growth. The impact that economic growth has on the environment is described. Links to related articles and Web sites provide specific examples.*

- *Chapter 16 identifies the business cycle. Concepts such as inflation, recession and depression are defined and the impact that these changes in the economy have on businesses, households and government are discussed. An oral history of the Great Depression is included for examples of how changes in the economy impact individuals.*

C. explaining how scarcity of productive resources impacts decisions concerning the production and distribution of goods and services;

- *Chapter 2 explains how scarcity impacts decisions concerning the production and distribution of goods and services. A graphic of the production possibilities curve is included to help illustrate this concept.*

D. examining how domestic and global economic systems interact; and

- *Chapter 23 explains how economic systems interact in the global economy. The interdependence of the global economy is discussed and the U.S. decision to abandon the gold standard in 1971 and the 1997 Asian financial crisis are cited as examples. The impact that these events had on the global and domestic economies is described.*

E. comparing the rules and procedures of different economic systems by examining the effect on supply, demand, capital, prices, role of institutions, and natural resources.

- *Chapter 2 identifies the factors of production as being—land (natural resources), labor, capital and management. The procedures that guide the interaction of these factors to produce goods and services are described. Graphics are included to illustrate the interaction of the factors of production.*
- *Chapter 3 describes the rules and procedures of different economic systems. Traditional, command, market and mixed economies are defined. The rules and procedures for capitalist, socialist and communist economies are compared and Web links are included to biographies of influential philosophers and the complete texts of their most famous works.*
- *Chapter 8 defines the laws of supply and demand. The effect that supply and demand has on prices is discussed. Graphics are included and examples are provided.*
- *Chapter 11 describes the rules and procedures that guide the money and banking system. Different banking institutions are defined and the role of the Federal Reserve System is identified. Web links are included to all branches of the Federal Reserve.*

- *Chapter 12 explains how governmental regulations impact the rules and procedures of business activities. Web links are included to major governmental regulatory agencies, such as the Environmental Protection Agency and the Food and Drug Administration.*

Standard: Natural and Managed Systems

Grades: High Grades 9-12

A student shall develop and communicate a resource management plan involving natural and managed systems by:

- A. demonstrating understanding of the interaction and interdependence of natural and managed systems, including natural ecosystems, and human-managed systems;
- B. describing the biological, physical, and human characteristics of the systems;
- C. gathering data using appropriate techniques;
- D. identifying the nature of the interactive and interdependent relationships;
- E. using appropriate environmental impact criteria;
- F. analyzing economic and environmental costs and benefits;
- G. presenting and defending a cost and benefit risk analysis to a jury of peers; and
- H. modifying the plan based on feedback.

- *Chapter 3 identifies different economic systems, such as traditional, command, market and mixed economies. A comparison of capitalism, socialism and communism is also provided. Web links are included to biographies of influential economic philosophers and the complete texts of their most famous works.*
- *Chapter 15 explores the interaction and interdependence of natural and managed systems in the context of economic growth. The impact that economic growth has on the environment is discussed and links to related articles and Web sites are included for specific examples. Concepts such as cost/benefit analysis are defined.*
- *Chapter 23 describes the interdependence of managed economic systems in the global economy. The impact of the U.S decision in 1971 to abandon the gold standard and the impact of the 1997 Asian financial crisis are cited as examples.*
- *Many activities in the Educator's Guide encourage students to present and defend analysis of issues in oral presentations and formalized debates. Students are encouraged to modify plans based on feedback and work in teams to formulate strategies.*
- *Learning Tools activities, such as Understanding Basic Knowledge and Analyzing Graphs and Charts, guide students on the use of appropriate techniques to gather and analyze data.*

Standard: Personal and Family Resource Management

Grades: High Grades 9-12

A student shall apply principles of personal and family resource management and informed decision making by:

- A. demonstrating understanding of sound buying principles, issues involved in renting or buying a home, personal finance terminology, insurance options, and implications of nonfinancial resources;
- B. creating plans for major purchases;
- C. evaluating personal banking services and cash or credit options;
- D. analyzing a household budget;
- E. preparing personal income tax statements;
- F. analyzing and selecting investment options; and
- G. analyzing how to manage household resources considering broader economic and environmental systems.

- *Chapter 4 explores issues associated with consumerism. Concepts such as diminishing utility and caveat emptor are defined. Links are provided to consumer protection Web sites maintained by the government and independent consumer watchdog organizations.*
- *Chapter 6 examines issues associated with family resource management in the context of consumer credit. Credit options are explored and an activity for this Chapter in the Educator's Guide suggests students analyze different credit cards to determine the best credit option. Household budgets are also discussed and a graphic is available that allows students to create their own personal budget.*
- *Chapter 7 identifies different investment options and explains how investment capital impacts businesses and the overall economy. Key concepts and terms such as stocks and bonds are defined. Web links are included to major stock and commodity exchanges around the world, including the New York Stock Exchange, the London Stock Exchange and the Chicago Mercantile Exchange. An activity in the Educator's Guide for this chapter suggests students invest imaginary money in the stock market and monitor its progress.*
- *Chapter 11 explains the role of banking institutions in economic systems. Investment options are explored and the way the interdependence of borrowing and saving creates money is described.*
- *Chapter 13 examines issues associated with taxes. The debate about a fair tax is presented and terms, such as progressive, regressive and proportional taxation, are defined. A Web link is included to the Internal Revenue Service for current information on U.S. tax policies. An activity for this chapter in the Educator's Guide involves completing a personal income tax form.*

Standard: Business Management
Grades: High Grades 9-12

A student shall use fundamentals of informed decision making and business management, including personnel management procedures; customer, employee, and management practices; use of banking services; forms of business organization; and current work-related laws and how the laws affect employment by:

- A. maintaining finances of the business;
- B. analyzing business expenses and organizational and environmental costs;
- C. applying personnel management procedures;
- D. applying human relations strategies;
- E. applying marketing strategies; and
- F. organizing work time around long-term priorities and immediate needs.

- *Chapter 7 examines issues associated with business enterprises. Different types of businesses, corporations, sole proprietorships and partnerships, are defined. The role of the entrepreneur is also described and Web links include profiles of influential entrepreneurs, such as Ray Kroc, the founder of McDonald's, and Bill Gates, the founder of Microsoft. Activities for this chapter in the Educator's Guide include interviewing a business owner in the community and working in a group to formulate a business strategy.*
- *Chapter 9 identifies specific business laws instituted by the government to regulate competition in the marketplace. Links are included to the complete texts of important governmental legislation, such as the Sherman Antitrust Act and the Robinson-Patman Act.*
- *Chapter 10 explores labor/management relations. A history of the U.S. labor movement is provided and current labor issues are identified. Links are provided to the complete texts of important governmental legislation, such as the National Labor Relations Act and the Taft-Hartley Act.*

Standard: Financial Systems

Grades: High Grades 9-12

A student shall use financial systems and information and basic accounting principles to:

- A. prepare accounts, ledgers, journals, financial statements, and payroll data;
- B. conduct financial analysis using mathematical techniques, including ratio analysis, comparative statements analysis, cost analysis, and trend analysis; and
- C. create a report based on information obtained from data analysis, including describing and displaying data, analyzing effectiveness of past financial actions, and recommending future courses of action based on conclusions of data analysis.

- *Chapter 8 examines the laws of supply and demand and explains how they can be used to analyze data and determine the optimal price for goods and services. Graphics are included to help illustrate the mathematical techniques involved. A suggested activity for this chapter in the Educator's Guide involves creating a report based on information obtained from data analysis.*
- *Chapter 12 explains how government officials must use cost/benefit ratios to determine what programs to fund while creating a budget. Web links are available to governmental agencies that are involved in the budget-making process for specific examples.*
- *Learning Tools activities, such as Problem Solving and Analyzing Graphs and Charts, encourage students to use analytical techniques like data analysis to address and solve problems identified in the readings.*