



Mississippi Social Studies Framework

What Citizens Need to Know About Economics

addresses Mississippi Social Studies Framework for the economics component of the social studies curriculum grades 9-12.



**Economics (one semester)
Grades 9-12**

STRANDS: (C-Civics) (H-History) (G-Geography) (E-Economics)

COMPETENCIES and Suggested Objective(s)

1. Identify basic economic concepts. (C, H, G, E)

- a. Define *scarcity, opportunity cost, trade-offs, productivity, inflation, deflation, monopoly, free enterprise, oligarchy.*

- *Every chapter in the book has a link to a glossary of key concepts and terms. All glossary terms are italicized in the text of the chapters to inform the reader that a definition is available. The Educator's Guide includes all the glossary terms and definitions broken-down by chapter. Key concepts and terms, such as scarcity, opportunity cost, productivity, inflation, deflation, monopoly, oligopoly and free enterprise, are defined.*

- b. Construct and graph demand and supply schedules.
- c. Determine equilibrium price on demand and supply schedules and curves.
- d. Describe how the laws of supply and demand interact.

- *Chapter 8 provides an overview of the laws of supply and demand. The ways the laws interact are described and terms, such as equilibrium price, are defined. Graphs and charts of demand and supply schedules and curves are included to illustrate these concepts. An activity for this chapter in the Educator's Guide involves constructing a graph to show the changes in supply and demand for a specific good or service.*

- e. Analyze the importance of imports and exports.

- *Chapter 22 examines issues associated with foreign trade. The terms imports and exports are defined and their importance to the domestic and global economy are analyzed. A history of U.S. trade policy is included and Web links are available to major regional trade associations, such as the North American Free Trade Agreement and the European Union.*

f. Compare the relationship of microeconomics and macroeconomics.

- *Chapter 1 defines the term microeconomics and macroeconomics and differentiates between the two. Graphics are included to illustrate the relationship of microeconomics and macroeconomics and Web links are provided for further research.*

2. Explain how people organize for the production, distribution, and consumption of goods and service. (C, H, G, E)

a. Explain how the scarcity of productive resources (e.g., human, capital, technological and natural) require the development of economic systems to make decisions about how goods and services are produced and distributed.

- *Chapter 2 explains how the scarcity of productive resources requires the development of economic systems. Key concepts and terms, such as scarcity and factors of production, are defined.*
- *Chapter 3 identifies different types of economic systems—traditional, command, market and mixed economic systems—that formed to address issues of scarcity and the distribution of goods and services. Links to related articles and Web sites provide specific examples.*

b. Identify basic business organizations, include advantages and disadvantages of each.

- *Chapter 7 examines the role of businesses in an economic system. Different business organizations are identified and the advantages and disadvantages of each are explored. Terms, such as sole proprietorship, partnership and corporation, are defined. The role of the entrepreneur is also addressed and Web links include profiles of famous entrepreneurs, such as Ray Kroc, the founder of McDonald's, and Bill Gates, the founder of Microsoft.*

3. Discuss relationships among the various economic systems such as households, business firms, banks, government agencies, labor unions, and corporations. (C, H, G, E)

- a. Analyze the behavior of the consumer and the producer in a market economy and their impact on price.

- Chapter 4 examines the interaction of consumers and producers in a market economy and describes their impact on prices. A graphic is included to illustrate this relationship. Concepts, such as caveat emptor and diminishing utility, are defined. Links are included to consumer protection Web sites maintained by the government and consumer watchdog groups.

- b. Evaluate the role of organized labor on the United States economy.

- Chapter 10 provides a history of the labor movement in the United States. The role of organized labor on the U.S. economy is explored. The interaction between labor, management and the government is described and links are included to the complete texts of influential governmental legislation, such as the National Labor Relations Act and the Taft-Hartley Act. Web links are also available to major labor organizations, including the Teamsters and the AFL-CIO.

- c. Interpret the phases of the business cycle.

- Chapter 16 defines the phases of the business cycle and identifies periods in U.S. history when the nation was in recession, depression or recovery. Terms, such as inflation, recession and depression, are defined. An oral history of the Great Depression is included to provide examples of the impact of the business cycle on individuals. The impact that terrorism has on the business cycle is also described and the September 11, 2001, terrorist attacks are cited as examples.

- d. Explain the American banking system.

- Chapter 11 describes the American banking system. Different types of banks are identified and the role of the Federal Reserve System is addressed. Web links are included to all branches of the Federal Reserve.

- e. Explain the operation of the stock market.

- *Chapter 7 explains the operation of the stock market. The way the stock market provides investment capital to corporations is described. Web links are included to stock exchanges around the world, including the New York Stock Exchange, the London Stock Exchange and the Tokyo Stock Exchange. An activity for this chapter in the Educator's Guide suggests students invest imaginary money in the stock market and chart the progress of the investment over a period of time.*

- f. Discuss government controls on our economy (e.g., monetary policy, fiscal policy, federal reserve, etc.).

- *Chapter 11 explains how the Federal Reserve controls the banking system and the money supply in the United States. Terms, such as reserve requirement and discount rate are defined. Web links are included to all branches of the Federal Reserve System.*

- *Chapter 12 describes the roles of government in an economic system. Government regulations are addressed and Web links are included to major governmental regulatory agencies, such as the Food and Drug Administration and the Environmental Protection Agency. The budget-making process is also described and Web links are provided to government agencies involved in the budget process, including the Office of Management and Budget and the Congressional Budget Office.*

- *Chapter 17 identifies governmental controls and differentiates between fiscal and monetary policies. Key concepts and terms, such as open market operations and deficit financing, are defined. The debate between Keynesian and supply-side economists is also presented. Links to related articles and Web sites include current information on U.S. monetary and fiscal policy decisions.*

4. Understand global connections, conflicts, and geographic interdependence. (C, H, G, E)

- a. Distinguish between domestic and global economic systems and explain their interaction.

- *Chapter 22 explores issues associated with foreign trade and distinguishes between domestic and global economic systems. The interactions between the two systems are described. Terms such as tariffs, specialization and comparative advantage are defined.*

- *Chapter 23 describes the interaction of the domestic and global economy. The impact of economic decisions on the global and domestic economy is discussed. The U.S. decision, in 1971, to abandon the gold standard and the 1997 Asian financial crisis are cited as examples.*

- b. Apply economic concepts and reasoning when evaluating historic and contemporary social developments and issues.

- *Chapter 2 includes a timeline of important events in U.S. economic history. Web links are included for further research on those topics.*
- *Chapter 10 provides a history of labor in the United States and identifies contemporary issues associated with labor. Links to related articles and Web sites include analysis of major labor trends.*
- *Chapter 11 outlines a history of money from barter to electronic fund transfers. A Web link is included to the Money Museum where users can explore online exhibits on the history of money.*
- *Chapter 16 reflects on the Great Depression and an oral history is included for examples of how the events shaped individual lives.*
- *All chapters include links to related articles and Web sites, which provide historical examples and identify current issues and social developments for the topics addressed in the specific chapters.*

- c. Evaluate the domestic and international impact of various economic agreements (e.g., NAFTA, EEC, GATT, etc.).

- *Chapter 22 explores issues associated with foreign trade and examines the domestic and international impact of trade agreements. Profiles of major international trade agreements are included and Web links are provide to these organizations, including the North American Free Trade Agreement and the European Union. The complete text of the General Agreement on Tariffs and Trade (GATT) is available and a Web link is included to the World Trade Organization, which replaced GATT.*

- d. Recognize economic trends.

- *Chapter 1 lists major economic indicators that are used to identify economic trends. Graphics are included to show the trends in these indicators over a period of time. Web links are included to governmental organizations, such as the U.S. Commerce Department and the White House's Economics Statistics Briefing Room, for current statistics on economic indicators, like gross domestic product, consumer price index, retail sales and unemployment.*

5. Compare how values and beliefs influence economic decisions in different societies. (C, H, G, E)

- a. Compare cultural and religious differences that affect economic decisions.
- b. Contrast the public assistance systems of the United States and other nations (e.g., Japan, Germany, etc.).
- c. Contrast the United States's free-enterprise system and European socialism.

- *Chapter 3 explains how culture affects economic decisions. The traditional caste system in India is compared to the command systems of ancient Egypt and the former Soviet Union. The mixed capitalist economic system of the United States is also identified. A comparison and contrast of capitalism, socialism and communism are also provided and Web links include biographies of influential economic philosophers, such as Adam Smith and Karl Marx, and the complete texts of their most famous works.*
- *Chapter 20 describes the public assistance systems available in the United States. The success and cost of these systems are debated and links to related articles provide opposing views on this subject. Web links are also included to the organizations that run such programs as Social Security, food stamps, Medicaid and Medicare, and Head Start.*