



West Virginia Instructional Goals and Objectives Social Studies— Economics

What Citizens Need to Know About Economics
addresses West Virginia Instructional Goals and Objectives for the economics
component of the social studies curriculum grades 9-12.



Grades 9-12 Economics IGOs

Understanding economics is essential so students will know that most decisions have economic consequences. As resources become scarce, as the economic environment changes, and as the economic impact of decisions becomes more immediate, students must know how to use economic analysis to solve the complex problems they face now and in the future. This course will emphasize the need to make sense of the array of economic facts, events, observations and issues in everyday life and the ability to make effective decisions about economic issues.

Economics

- E.1 give examples showing how scarcity of goods and services forces people to make choices about needs and wants
- E.2 analyze how the scarcity of natural, technological, capital, and human resources requires economic systems to make choices about the distribution of goods and services

- *Chapter 2 explains how the scarcities of the factors of production—land, labor, capital and management—and the scarcity of goods and services force people and economic systems to make economic choices about want and need and the distribution of goods and services. The debate over different types of energy options (fossil fuels, nuclear power or solar energy) is cited as an example. Links to related articles and Web sites provide more information and more examples.*

- *Chapter 15 describes how the scarcity or abundance of natural, technological, capital and human resources impact economic growth and require individuals within an economic system to make choices about the distribution of goods and services. Problems associated with economic growth, such as pollution, are identified. Links to related articles and Web sites are available for further research.*

- E.3 explain the role supply and demand, prices, incentives, and profits play in determining what is produced and distributed in a free enterprise system

- *Chapter 7 identifies incentives, such as profits and property rights, that encourage entrepreneurs to take risks in a free enterprise system. The role of the entrepreneur in organizing the factors of production is described and Web links include biographies of successful entrepreneurs like Ray Kroc, the founder of McDonald's, and Bill Gates, the founder of Microsoft.*
- *Chapter 8 explains the role of supply, demand and prices in determining what is produced and distributed in a free enterprise system. The laws of supply and demand are defined and graphics are included throughout the chapter to illustrate how changes in supply and demand impact prices and economic choices. Key concepts and terms like new buyer effect and substitute goods are defined. Links to related articles and Web sites are included for specific examples of the impact of changes to supply, demand and prices.*

- E.4 compare and contrast examples of private and public goods and services
- E.5 evaluate the costs and benefits of allocating goods and services through public and private means

- *Chapter 1 differentiates between the public and private sector of the economy. The costs and benefits of allocating goods and services through the public and private sectors are explored and collaboration between the private and public sectors of the economy are discussed. Links to related articles and Web sites present opposing views of the benefits and costs of providing goods and services through public and private means.*
- *Chapter 12 discusses the role of the government in an economic system. The responsibility of the government to provide public goods and services is explained and the debate over the use of the private sector to provide public goods and services is presented. The concepts of cost/benefit ratio and externalities are addressed. Links to related articles and Web sites present opposing views of the role of government in an economic system.*

- E.6 describe and compare relationships among economic institutions (e.g., households, businesses, banks, government agencies, and labor unions)

- *Chapter 4 describes the role of consumer households in an economic system. The relationship between households and businesses that determines how goods and services are allocated is explored and illustrated with a graphic. The relationship between consumers and government is also explored in the context of consumer protection. Web links are available to government agencies involved in consumer protection, such as the Consumer Product Safety Commission and the Food and Drug Administration.*

- *Chapter 7 explores the role of businesses in economic systems. Different types of businesses—sole proprietorships, partnerships and corporations—are defined. The relationship between businesses and economic institutions, like the stock market, are described and a graphic illustrates how investments in the stock market provide investment capital to businesses. Web links are included to stock and commodity markets around the world, including the New York Stock Exchange, the Chicago Mercantile Exchange and the London Stock Exchange.*
- *Chapter 10 describes the relationships among labor unions, businesses and governments in the context of the American labor movement. A history of the labor movement in the United States is provided and tools of labor organizations, such as collective bargaining and strikes, are identified. The role of government to mediate disputes between businesses and labor organizations is explored and links are available to the complete texts of major government legislation, such as the Taft-Hartley Act and the Landrum-Griffin Act. Web links are also included to labor unions like the AFL-CIO and the Teamsters and to government agencies like the National Labor Relations Board.*
- *Chapter 11 discusses the relationship among banking institutions, households, businesses and government agencies. Different types of banks are identified and the role of the Federal Reserve System is explained. The impact of changes in interest rates on households and businesses is explored and the role of the Federal Reserve System in maintaining a stable money supply, through its influence of interest rates and other means, is described. Key concepts and terms, such as discount rate and reserve requirement, are defined. Web links are included to all branches of the Federal Reserve for more information on its role in the banking system.*
- *Chapter 12 examines the role of government in an economic system. The relationships among households, businesses and government agencies are highlighted. The role of government to regulate and protect households and businesses is explained and Web links are included to many government regulatory agencies, including the Environmental Protection Agency and the Occupational Safety and Health Administration.*

E.7 explain how specialization and division of labor in economic systems increase productivity

- *Chapter 7 identifies factors that contribute to increased productivity. The law of diminishing returns is explained and illustrated with a graphic to illustrate how the division of labor and specialization impacts productivity and profits. Concepts, such as marginal cost and marginal benefit, are explored. Links to related articles and Web sites are included for more information and specific examples.*

- Chapter 22 explains how specialization increases productivity in the context of foreign trade. Concepts, such as comparative advantage and specialization, are defined. The debate between free trade and protectionism is explored and links to related articles and Web sites include opposing views of the free trade debate and the impact of specialization and comparative advantage.

E.8 describe the role of money and other forms of exchange in the economic process

- Chapter 11 describes the role of money and other forms of exchange in the economic process. A history of money from barter to electronic funds transfers is presented and the money supply is defined. The way saving and borrowing increases the money supply is explained and illustrated with a graphic. The role of banks and the Federal Reserve System is explored and Web links are available to all branches of the Federal Reserve for more information.

- Chapter 23 examines the role of money and other forms of exchange in the interdependent global economy. Key concepts and terms, such as exchange rate and special drawing rights, are defined. The impact of changes in the exchange rate on the local and global economy is explained and illustrated with graphics. A Web link is included to a program that calculates and compares the current exchange rate for the U.S. dollar and other currencies.

E.9 compare and analyze how values and beliefs influence economic decisions in different economic systems

E.10 evaluate economic systems according to how laws, rules, and procedures deal with demand, supply, and prices

- Chapter 3 explains how values and beliefs influence economic decisions in different economic systems and describes how various economic systems deal with demand, supply and prices. Different economic systems—traditional, command, market and mixed economies—are defined and compared. A comparison of capitalism, socialism and communism is also provided. Examples of different economic systems, such as the traditional caste system of India and the command systems of ancient Egypt and the former Soviet Union, are cited. Links to related articles and Web sites include biographies of economic philosophers, like Adam Smith and Karl Marx, and the complete texts of their most influential works.

- Chapter 24 differentiates between economic systems in the developed world and developing countries. The impact of opposing values and beliefs and opposing laws, rules and procedures for dealing with demand, supply and prices are explored. The responsibility of developed countries to assist developing countries is explored and the effects of different values and beliefs on this relationship are debated. Links to related articles and Web sites present opposing views on the success of foreign aid programs and Web links are included to foreign aid agencies, such as the U.S. Agency for International Development and the Grameen Bank.

- E.11 evaluate historical and current social developments and issues from an economic perspective
- E.12 explain historical and current developments and issues in local, national, and global contexts from an economic perspective

- Chapter 1 identifies important economic indicators that can be used to evaluate historical and current developments and issues in local, national and global contexts from an economic perspective. Major economic indicators, including gross domestic product, consumer price index and unemployment, are highlighted. Graphics are included for every economic indicator to illustrate historical trends and links to related articles and Web sites are included for the most current economic statistics available from the government.

- Chapter 2 explores historical and current social developments and issues from an economic perspective. A timeline of major events in U.S. history that have had an economic impact is presented and links to related articles and Web sites provide more information and identify current social developments and issues that effect the economy.

- Chapter 16 defines the business cycle and explains how historical and current social developments impact the business cycle. The Great Depression and the September 11, 2001, terrorist attacks are cited as examples. Key concepts and terms, such as recession, depression and inflation, are defined. An oral history of the Great Depression is presented to illustrate the impact of economic events on individuals. Links to related articles and Web sites are available for further research.

- Chapter 23 explains how global developments and issues impact local, national and international economies. The impacts of the U.S. decision in 1971 to abandon the gold standard and the 1997 Asian financial crisis are cited as examples. Links to related articles and Web sites include more information on historical and current developments that have affected local, national and global economies.

- Related articles and Web sites linked to every chapter identify current and historical developments and issues related to the topics covered in the respective chapters from an economic perspective.

- E.13 define inflation and explain its effects on economic systems

- *Chapter 5 defines inflation and deflation and explains their effects on economic systems. The impact of inflation and deflation on individuals and businesses is also explored and illustrated with graphics. The use of the consumer price index (CPI) to determine the level of inflation or deflation is explained. Links to related articles and Web sites include current CPI statistics and evaluations of what they represent. A Web link is also included to a program that uses CPI to compare the value of the U.S. dollar during different time periods in U.S. history.*
- *Chapter 16 explains the effects of inflation and deflation on economic systems. The impact that inflation has on the business cycle is described and illustrated with a graphic. The effects of major events, such as the September 11, 2001, terrorist attacks, on inflation and the economy as a whole are presented. Links to related articles and Web sites include more information and cite current and historical examples of the effects of inflation on economic systems, individuals and businesses.*

E.14 define and analyze the use of fiscal and monetary policy in the national economic system

- *Chapter 17 defines and analyzes the use of fiscal and monetary policy in the national economic system. Fiscal and monetary policy tools, such as deficit financing, open market operations and changes to the discount rate or reserve requirement, are identified. The debate between Keynesian and supply-side economists is presented. Links to related articles and Web sites include current information on U.S. fiscal and monetary policies and opposing views of their impact on the economy.*

E.15 explain the process of international trade from an economic perspective

- *Chapter 22 explains the process of international trade from an economic perspective. Key concepts and terms, such as specialization, comparative advantage and balance of trade, are defined. The debate between free trade and protectionism is presented and links to related articles and Web sites provide opposing views of the free trade debate. The rise of regional trade organizations is discussed and Web links are available to regional trade associations, such as the North American Free Trade Agreement and the European Union.*

E.16 analyze and evaluate growth and stability in different economic systems

- *Chapter 3 describes different economic systems, including traditional, command, market and mixed economies. The way these different systems approach economic growth and stability is explored and links to related articles and Web sites include examples of different economic systems and evaluations of their success at providing economic growth and stability.*
- *Chapter 15 identifies factors that influence economic growth. The factors that led to unprecedented growth in the U.S. economy, including access to natural and human resources and technological innovation, are highlighted. Problems associated with economic growth, such as pollution, are addressed. Key concepts and terms, like standard of living and forced obsolescence, are defined. A Web link is included to the U.S. Patent and Trademark Office for more information on the contributions of technological innovations to economic growth in the United States.*
- *Chapter 17 explores ways to maintain economic stability in economic systems. The U.S. economy is cited as an example. Fiscal and monetary policy tools used to stabilize the economy, such as deficit financing and open market operations, are identified. Links to related articles and Web sites present opposing views on the success of efforts to stabilize the U.S. economy.*
- *Chapter 24 explains how different economic systems address issues of economic growth and stability. The plight of developing countries is described and efforts to assist developing countries are explored. Key concepts and terms, like brain drain and foreign aid, are defined. The responsibility of developed countries to assist developing countries is debated and Web links are included to aid organizations, such as the U.S. Agency for International Development and the Grameen Bank.*

E.17 analyze a public issue from an economic perspective and propose a socially desirable solution

- *Chapter 12 explains how government policy makers analyze public issues from an economic perspective and formulate socially desirable solutions. Concepts, such as externalities and cost/benefit ratios, are defined. The federal budget-making process is explained and illustrated with a graphic. Web links are available to government agencies involved in the budget process, such as the Office of Management and Budget and the Congressional Budget Office. An activity for this chapter involves students reenacting the budget-making process in a group setting.*

- *Chapter 20 explains how public issues are addressed from an economic perspective and socially desirable solutions are recommended in the context of federal subsidies. The use of federal subsidies to aid the needy and address issues associated with the unequal distribution of income is debated. Links to related articles and Web sites present opposing views on the debate over federal subsidies. Web links are also included to government agencies that oversee such programs as Social Security, Medicare, Medicaid and Head Start. An activity for this chapter involves analyzing problems with the current Social Security system and suggesting socially responsible solutions to address those problems.*