

Orange Unified School District
ECONOMICS
Semester Course

GRADE LEVEL: 12

PREREQUISITES: None

INTRODUCTION TO THE SUBJECT:

In this one-semester course in Economics, students should deepen their understanding of the elements of a market economy in a global setting. They should learn to make reasoned decisions on economic issues as citizens, workers, consumers, business owners and managers. Students should finish by the end of this course an introductory understanding of macro and microeconomic concepts.

COURSE OBJECTIVES:

BY THE END OF THE COURSE THE STUDENT WILL BE ABLE TO:

Show an understanding of scarcity as the basic economic problem and identify choice as its consequence. (Standard 12-1)

Demonstrate an understanding that all choices involve benefits and costs, (i.e., opportunity cost, marginal cost, and marginal benefits). (Standard 12.1)

Understand the concepts of supply and demand and its relationship to scarcity and price. (Standard 12-2)

Apply the concepts of labor markets to a global setting. (Standard 12-4)

Show an understanding that an economy's performance is measured by changes in such economic indicators as Gross Domestic Product, employment and unemployment, and the rate of economic growth. (Standard 12-5)

Demonstrate an understanding of the role that government plays in the American economy. (Standard 12-3)

Show an understanding of the impact of international trade on an individual's economic welfare. (Standard 12-6)

Understand the purpose and effects of the Federal Reserve and tools of monetary and fiscal policy. (Standard 12-3)

COURSE OVERVIEW AND APPROXIMATE UNIT TIME ALLOTMENTS:

	<u>WEEKS</u>
I. Understanding of Scarcity as an Economic Problem (Standard 12.1)	2
A. Relationships between wants and limited resources (Standard 12.1.1)	
B. Explain opportunity cost, marginal cost, and marginal benefit (Standard 12.1.2)	
C. Production Possibility Curve (Standard 12.1.2)	
Reference Chapters:	
O’Sullivan: 1, 2	
Southwestern: 1	
II. Identify the Basic Economic Systems and Individual’s Response to Incentives (Standard 12.1)	2
A. The role of incentives and their effects on behavior (Standards 12.1.3, 12.2.8)	
B. Contrast public and private property within a market economy (Standard 12.1.4)	
C. Analyze our free enterprise/market economy and government’s role in preserving political and personal liberty (Standard 12.1.5)	
Reference Chapters:	
O’Sullivan: 3	
Southwestern: 2, 3	
III. Supply and Demand in Economics (Standard 12.2)	3
A. Law of demand and its components (Standards 12.2.1, 12.2.2)	
B. Law of supply and its components (Standards 12.2.1, 12.2.2, 12.2.3)	
C. The role of prices and the effect on market equilibrium (Standards 12.2.4, 12.2.5, 12.2.6, 12.2.7)	
Reference Chapters:	
O’Sullivan: 4, 5, 6	
Southwestern: 6, 7, 8	
IV. Elements of the U.S. Labor Market (Standard 12.4)	1
A. History and growth of organized labor (Standard 12.4.1)	
B. Current labor market trends and its economic effects (Standard 12.4.2)	
C. Labor and Wages (Standard 12.4.3)	
Reference Chapters:	
O’Sullivan: 9	
Southwestern: 13	
V. Government and the Economy	3-4
A. The role of government in a market economy (Standard 12.3.1)	

- B. Influence of government fiscal policies (taxation, deficits)
(Standards 12.3.2, 12.3.3)
- C. Federal Reserve and Monetary Policy (Standards 12.3.4, 12.3.2)

Reference Chapters:

O'Sullivan: 14, 15, 16

Southwestern: 19, 20, 21

- VI. Measuring Economic Performance (Standard 12.5) 2
 - A. Growth Domestic Product and growth (Standard 12.5.1)
 - 1. Rate of economic growth
 - B. Economic challenges (Standards 12.5.1, 12.5.3)
 - 1. Unemployment
 - 2. Fluctuating interest rates
 - 3. Inflation

Reference Chapters:

O'Sullivan: 12, 13

Southwestern: 14, 16, 17

- VII. International Economics and Comparative Systems (Standard 12.6) 2
 - A. International benefits of trade (Standards 12.6.1, 12.2.9)
 - B. The effects of trade barriers, past and present (Standard 12.6.2)
 - 1. Quotas and tariffs
 - C. Global implications of free trade (Standard 12.6.3)
 - D. Exchange rates (Standard 12.6.4)

Reference Chapters:

O'Sullivan: 17, 18

Southwestern: 23, 24

- VIII. Definition, Function and Influence of Financial Markets (Standard 12.2) 1
 - A. Savings and investing (Standard 12.2.9)
 - B. Stocks, bonds, commodities and foreign currency (Standard 12.2.9)

Reference Chapters:

O'Sullivan: 11

Southwestern: 9

- IX. Optional
 - A. Basic Components and Types of Business:
 - 1. Sole Ownerships
 - 2. Partnerships

3. Corporations

4. Mergers

Reference Chapters:

O'Sullivan: 8

Southwestern: 9

DATE OF CONTENT REVISION: March 2003

DATE OF BOARD APPROVAL: April 24, 2003

Addendum

**THE CALIFORNIA CONTENT STANDARDS
GRADE 12**

PRINCIPLES OF ECONOMICS

12.1 Students understand common economic terms and concepts and economic reasoning.

1. Examine the causal relationship between scarcity and the need for choices.
2. Explain opportunity cost and marginal benefit and marginal cost.
3. Identify the difference between monetary and non-monetary incentives and how changes in incentives cause changes in behavior.
4. Evaluate the role of private property as an incentive in conserving and improving scarce resources, including renewable and nonrenewable natural resources.
5. Analyze the role of a market economy in establishing and preserving political and personal liberty (e.g., through the works of Adam Smith).

12.2 Students analyze the elements of America's market economy in a global setting.

1. Understand the relationship of the concept of incentives to the law of supply and the relationship of the concept of incentives and substitutes to the law of demand.

2. Discuss the effects of changes in supply and/ or demand on the relative scarcity, price, and quantity of particular products.
3. Explain the roles of property rights, competition, and profit in a market economy.
4. Explain how prices reflect the relative scarcity of goods and services and perform the allocative function in a market economy.
5. Understand the process by which competition among buyers and sellers determines a market price.
6. Describe the effect of price controls on buyers and sellers.
7. Analyze how domestic and international competition in a market economy affects goods and services produced and the quality, quantity, and price of those products.
8. Explain the role of profit as the incentive to entrepreneurs in a market economy.
9. Describe the functions of the financial markets.
10. Discuss the economic principles that guide the location of agricultural production and industry and the spatial distribution of transportation and retail facilities.

12.3 Students analyze the influence of the federal government on the American economy.

1. Understand how the role of government in a market economy often includes providing for national defense, addressing environmental concerns, defining and enforcing property rights, attempting to make markets more competitive, and protecting consumers' rights.
2. Identify the factors that may cause the costs of government actions to outweigh the benefits.
3. Describe the aims of government fiscal policies (taxation, borrowing, spending) and their influence on production, employment, and price levels.
4. Understand the aims and tools of monetary policy and their influence on economic activity (e.g., the Federal Reserve).

12.4 Students analyze the elements of the U.S. labor market in a global setting.

1. Understand the operations of the labor market, including the circumstances surrounding the establishment of principal American labor unions, procedures that unions use to gain benefits for their members, the effects of unionization, the minimum wage, and unemployment insurance.

2. Describe the current economy and labor market, including the types of goods and services produced, the types of skills workers need, the effects of rapid technological change, and the impact of international competition.
3. Discuss wage differences among jobs and professions, using the laws of demand and supply and the concept of productivity.
4. Explain the effects of international mobility of capital and labor on the U.S. economy.

12.5 Students analyze the aggregate economic behavior of the U.S. economy.

1. Distinguish between nominal and real data.
2. Define, calculate, and explain the significance of an unemployment rate, the number of new jobs created monthly, an inflation or deflation rate, and a rate of economic growth.
3. Distinguish between short-term and long-term interest rates and explain their relative significance.

12.6 Students analyze issues of international trade and explain how the U.S. economy affects, and is affected by, economic forces beyond the United States' borders.

1. Identify the gains in consumption and production efficiency from trade, with emphasis on the main products and changing geographic patterns of twentieth-century trade among countries in the Western Hemisphere.
2. Compare the reasons for, and the effects of trade restrictions during, the Great Depression compared with present-day arguments among labor, business, and political leaders over the effects of free trade on the economic and social interests of various groups of Americans.
3. Understand the changing role of international political borders and territorial sovereignty in a global economy.
4. Explain foreign exchange, the manner in which exchange rates are determined, and the effects of the dollar's gaining (or losing) value relative to other currencies.

