

**Davison Community Schools
ADVISORY CURRICULUM COUNCIL
Phase I/II April 2014**

Life Skills Economics

Course Essential Questions (from Phase I report):

How does scarcity impact the decisions individuals, organizations, and societies must make?

How do market forces affect the decisions of individuals, organizations, and societies?

Phase II Curriculum

Unit 1: What is Economics?

Essential Questions:

What is economics?

How does economics affect us?

How are the things we want and need produced?

How are economies different from each other?

How do the characteristics of a market economy influence economic decision making?

What kind of economy do we have in the United States?

Essential Understanding:

People use resources to produce goods and services.

Scarcity results because resources are limited and human wants are unlimited.

Because of scarcity, people make choices about what goods and services to produce, how goods and services will be produced, and who will get the goods and services.

In answering the questions about what to produce, how to produce it, and who gets it, people create an economic system.

There are different types of economic systems in the world.

The answers to economic questions such as what goods and services to produce, how to produce them, and who gets them determine the type of economic system.

The economic system in the U.S. is mainly a market economy, but can be considered mixed.

A market economy is based on the interactions of buyers and sellers.

Important characteristics of a market economy include private property rights, voluntary exchange, competition, consumer sovereignty,

	<p>incentives, and specialization.</p> <p>The United States government is involved in economics.</p> <p>The interactions in a market economy can be described with a circular flow model.</p> <p>Circular flow describes the pattern in which goods and services and resources flow in the marketplace.</p> <p>Circular flow includes a market for resources and a market for goods and services.</p> <p>Individuals sell their labor, human resources, to businesses in exchange for money, or income. This is done in the resource market.</p> <p>Individuals use their income to buy goods and services from businesses. This creates the market for goods and services.</p>
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Curriculum Standards

<p>E.1.FI.11.EH1.1 Demonstrate an understanding of the concepts of scarcity and opportunity cost, and the role they play in the decisions people make.</p> <p>E.1.FI.11.EH1.2 Demonstrate an understanding of what it means to be an entrepreneur.</p> <p>E.2.FI.11.EH1.1 Identify one or more reasons why businesses and individuals sell goods and services, using real life examples.</p> <p>E.2.FI.11.EH2.1 Identify one or more goals of an economic system.</p>

Knowledge/Content I Know....	Skills/Processes I can.....
<p>Every individual has unlimited wants and limited resources and must make choices to maximize these resources.</p> <p>The factors of production are the resources needed to produce goods and services and are: land, labor, capital, and entrepreneurs.</p>	<p>I can describe economic wants I have experienced.</p> <p>I can distinguish between goods and services and provide examples.</p> <p>I can identify questions economists ask in examining the United States. (What, how, and who</p>

<p>The difference between needs and wants.</p> <p>Human Resources are workers and their skills.</p> <p>Goods are physical items.</p> <p>Services are actions one person does for another person.</p> <p>Capital includes physical, financial, and human capital; students must be able to define each.</p> <p>Opportunity costs are the next-best thing given up when people make decisions.</p> <p>Difference between "Scarcity" and "shortage" and definition of each.</p> <p>The three basic economic questions are "What to produce?", "How to produce?," and "for Whom to Produce?"</p> <p>Producer is someone who makes goods or provides services.</p> <p>Consumers is someone who buys goods or services.</p> <p>Profit is money gained</p> <p>There are three types of economic systems; traditional, command, and market.</p> <p>Most modern economies tend to be mixed economies.</p> <p>Discrimination is to treat a person a differently due to their race, gender, religion, or age.</p> <p>Exchange is the trading of goods and services with others for other goods and services or for money.</p> <p>Income is the money people earn by working.</p> <p>Circular flow is the pattern in which goods and services and resources flow in the marketplace.</p>	<p>produced for).</p> <p>I can explain why scarcity exists and give examples.</p> <p>I can describe producers and consumers.</p> <p>I can explain why people open businesses.</p> <p>In can illustrate in words and pictures the five characteristics of a market economy.</p> <p>I can identify the different types of economic systems found around the world.</p> <p>I can identify the role of the government in economics.</p> <p>I can justify private property rights.</p> <p>I can demonstrate the circular flow model in a market simulation.</p> <p>I can label the circular flow model.</p>
<p>Phase III Textbook/Materials</p>	

Phase IV Summative Assessment Evidence	
Common Summative Unit Assessments:	Agreed Upon Interim Summative Assessments: (*identifies Performance Task)
Phase V Learning Plan	

Phase II Curriculum	
Unit 2: How Markets Work	
<p>Essential Questions:</p> <p>How are prices determined?</p> <p>How does competition affect the economy in the United States?</p> <p>What is the law of demand and the law of supply?</p> <p>How are markets classified?</p> <p>How does exchange work in a market economy?</p>	<p>Essential Understanding:</p> <p>Prices are flexible.</p> <p>Economic decision making is influenced by the interaction of price, competition, and substitute goods.</p> <p>When prices decrease, demand for that good or service increases.</p> <p>When prices increase, demand for a good or service decreases and consumers may choose substitute goods or services.</p> <p>Competition can lead to a decrease in prices.</p> <p>The interactions in a market economy can be described with a circular flow model.</p> <p>Circular flow describes the pattern in which goods and services and resources flow in the marketplace.</p> <p>Circular flow includes a market for resources and a market for goods and services.</p>

	<p>Individuals sell their labor, human resources, to businesses in exchange for money, or income. This is done in the resource market.</p> <p>Individuals use their income to buy goods and services from businesses. This creates the market for goods and services.</p>
Curriculum Standards	
<p>E.1.FI.11.EH3.1 Demonstrate an understanding of supply or how a change in price affects supply, using real life examples.</p> <p>E.1.FI.11.EH3.2 Demonstrate an understanding of demand or how a change in price affects demand, using real life examples.</p> <p>E.1.FI.11.EH3.3 Demonstrate an understanding of how the price of goods and services can change based on the interaction between supply and demand, using real life examples.</p> <p>E.2.FI.11.EH1.1 Identify one or more reasons why businesses and individuals sell goods and services, using real life examples.</p> <p>E.2.FI.11.EH2.1 Identify one or more goals of an economic system.</p>	
Knowledge/Content I Know....	Skills/Processes I can.....
<p>Demand is consumers' willingness and ability to purchase a good or service.</p> <p>Supply is the amount of goods or services that is available to buy.</p> <p>Price is what people pay when they buy a good or service.</p> <p>Substitute goods are goods that can be used in place of another good.</p> <p>Shortage = not enough and Surplus = too much</p> <p>Voluntary Exchange</p> <p>Competition is when businesses sell the same good or service.</p> <p>High prices signal producers to produce more; low prices signal consumers to consume more.</p> <p>The Law of Supply states that when prices rise, supply will increase.</p> <p>The Law of Demand states that when prices fall, demand will increase.</p>	<p>I can distinguish between supply and demand; and producers and consumers.</p> <p>I can give examples of incentives.</p> <p>I can identify examples of competition.</p> <p>I can describe the relationship between prices and the behavior of producers/consumers</p> <p>I can explain how price affects decisions about purchasing goods and services (substitute goods).</p> <p>I can explain how competition among buyers results in higher prices and competition among sellers results in lower prices (e.g., supply, demand).</p>

<p>Manufacturers have the incentive of profit to sell their products.</p> <p>There are four different types of markets: perfect competition, monopoly, monopolistic competition, oligopoly.</p>	
Phase III Textbook/Materials	
Phase IV Summative Assessment Evidence	
Common Summative Unit Assessments:	Agreed Upon Interim Summative Assessments: (*identifies Performance Task)
Phase V Learning Plan	

Phase II Curriculum	
Unit 3: Business and Labor	
<p>Essential Questions:</p> <p>What effects can changes in the economy have?</p> <p>What happens if workers are paid too little?</p> <p>What happens if workers have to work in unsafe conditions?</p>	<p>Essential Understanding:</p> <p>The labor force in the U.S. is made up of people who are working and those looking for work.</p> <p>As a person's skill level goes up, so does his or her wages.</p> <p>Labor unions speak for workers in order to protect their interests.</p> <p>Changes in the U.S. economy can affect levels of employment.</p> <p>Economic changes that affect employment can include changing demands for natural resources, changes in technology, and changes in competition.</p>

	Global competition has affected levels of employment in the U.S. and the types of jobs available.
Curriculum Standards	
E.2.FI.11.EH1.1 Identify one or more reasons why businesses and individuals sell goods and services, using real life examples.	
Knowledge/Content I Know....	Skills/Processes I can
<p>Types of businesses: sole proprietorship, partnership, corporations.</p> <p>The labor force is people are working or looking for work.</p> <p>Employed = a person with a job</p> <p>Unemployed = a person who is jobless, looking for a job, and available for work.</p> <p>Changes in the economy often lead to people being unemployed.</p> <p>Wages- the money a person is paid for working.</p> <p>Labor Unions work for its members' interests, such as fair wages, working conditions, benefits and hours.</p> <p>Unions use strikes to get employers to listen to their demands.</p> <p>Unions begin using collective bargaining before they go on strike.</p>	<p>I can evaluate the pros and cons of the three types of businesses.</p> <p>I can compare and contrast between unskilled, skilled, and professional labor.</p> <p>I can justify the importance of labor unions.</p> <p>I can identify labor unions in America today.</p> <p>I can predict reasons for high or low levels of employment.</p>
Phase III Textbook/Materials	
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Phase II Curriculum	
Unit 4: Economic Performance	
Essential Questions: Why are there good times and bad times in the economy? What is money? How do banks work? Why do people invest in the stock market?	Essential Understanding: The U.S. economy goes through good times and bad times. Money is a part of our daily lives. Banks lend money and keep money safe. The stock market is a place where people can buy and sell parts of a company.
Curriculum Standards	
E.2.FI.11.EH2.1 Identify one or more goals of an economic system. E.2.FI.11.EH1.1 Identify one or more reasons why businesses and individuals sell goods and services, using real life examples.	
Knowledge/Content I Know....	Skills/Processes I can.....
Business cycles <ul style="list-style-type: none"> • Periods of time when the economy grows followed by a period of time when the economy shrinks. • Four Phases - expansion, peak, recession, and trough • If a recession is especially long it is called a depression. Money is anything that can be exchanged and has a	I can analyze and label a business cycle chart. I can identify and describe the parts of the business cycle. I can explain what money is and give examples. I can describe inflation. I can justify banks and their ability to make a

<p>measurable value.</p> <p>Inflation is general increase in prices.</p> <p>A checking account is a bank account used to pay day-to-day expenses.</p> <p>A savings account is a bank account in which money is stored for a long time.</p> <p>Savings accounts earn interest.</p> <p>Sometimes borrowers default on their loans and the bank loses money.</p> <p>Companies can make money by selling shares or stocks of their company.</p> <p>People can make money by buying and selling shares or stocks of a company.</p>	<p>profit.</p> <p>I can compare and contrast checking and saving accounts.</p> <p>I can explain interest.</p> <p>I can provide reasons for getting a loan from a bank.</p> <p>I can describe the stock market and give examples of companies who buy and sell stock.</p>
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Phase III Textbook/Materials

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Phase IV Summative Assessment Evidence

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Phase V Learning Plan

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Phase II Curriculum

Unit 5: Government and the Economy

Essential Questions:

- How does the government get money?
- How does the government spend money?
- What is the main role of the government in our economic system?
- What happens if a government does not have enough money because they are spending more than they are making?
- When do governments usually spend a lot of money?

Essential Understanding:

- The main role of government in our economic system is to protect private property and enforce contracts.
- Government gets money through taxes and fees; and spends the money on public goods (parks & highways) & services (social welfare programs)
- Borrowing money leaves the government with a national debt.

Curriculum Standards

- E.1.FI.11.EH4.2** Identify one or more financial or legal methods the government uses to protect consumers or change behavior.
- E.1.FI.11.EH4.3** Identify one or more ways in which state and local governments generate and/or spend revenue.
- E.2.FI.11.EH2.5** Demonstrate an understanding of a way the federal government generates and/or spends revenue.
- E.1.FI.11.EH4.4** Identify one or more roles the government plays in a market economy (e.g., provides goods/services, redistributes income and wealth through taxation and entitlements, and regulates labor).
- E.2.FI.11.EH2.1** Identify one or more goals of an economic system.

Knowledge/Content

I Know....

- The federal government collects taxes.
- The government is involved in the U.S. economy by making laws that protect consumers and workers, and providing public goods and services.
- A budget is a plan for saving and spending.
- The national debt is the money the federal government owes.
- The national debt is a huge dollar amount and it grows every day.
- The federal government's budget is divided into

Skills/Processes

I can

- I can justify the collection of taxes by the government.
- I can explain the national debt.
- I can describe the role of the government in the economy.

two categories: mandatory spending and discretionary spending.	
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Phase II Curriculum	
Unit 6: How Economics Affects You	
Essential Questions: How does economics affect you? How do you make a budget? Why should you have a balanced budget? How and why do people borrow money? Why do people use credit cards?	Essential Understanding: People must manage their money. Even when a person has a balanced budget, it is sometimes necessary to borrow money. People often use a budget to help them manage their money wisely.
Curriculum Standards	
E.2.FI.11.EH2.4 Demonstrate an understanding of interest rates (e.g., what body sets them and	

their impact on such things as car loans, home loans, credit cards, etc.).

E.2.FI.11.EH2.1 Identify one or more goals of an economic system.

E.2.FI.11.EH2.5 Demonstrate an understanding of a way the federal government generates and/or spends revenue.

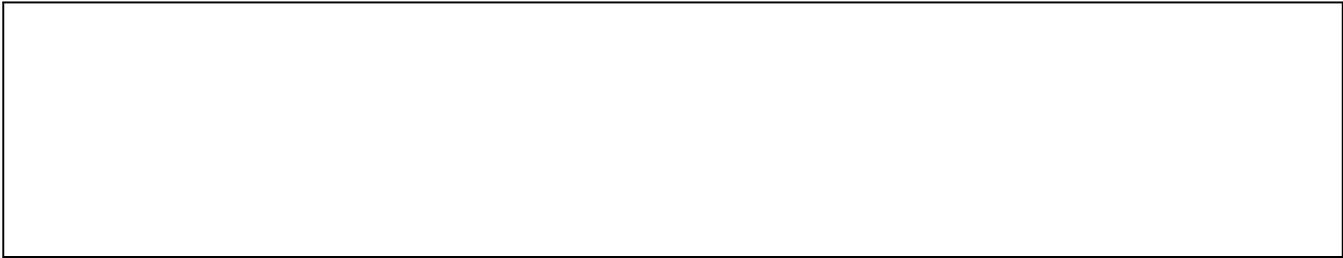
Knowledge/Content I Know....	Skills/Processes I can.....
<p>Gross income is the total amount of money that is earned.</p> <p>Net income is the amount of money the person actually makes.</p> <p>There are 3 types of expenses are fixed, variable, and discretionary.</p> <p>When a person borrows money from a bank, he or she takes out a loan.</p> <p>There is a fee for taking out a loan, you do not get the money for free.</p> <p>Using a credit card is a type of borrowing.</p> <p>A mortgage is a loan to buy a house.</p>	<p>I can identify reasons why and ways in which people borrow money.</p> <p>I can justify the importance of having a balanced budget.</p> <p>I can balance a budget.</p> <p>I can differentiate the 3 types of expenses.</p>

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Phase V Learning Plan



Phase II Curriculum

Unit 7: The Global Economy

Essential Questions:

How has the global economy affected the American economy?

Why is there a global economy?

Essential Understanding:

Most countries cannot produce all the things they need. So they trade with other countries to get the things they do not produce.

Global competition can affect jobs, prices of goods, and quality of goods in the United States.

Curriculum Standards

E.2.FI.11.EH2.1 Identify one or more goals of an economic system.

E.2.FI.11.EH2.5 Demonstrate an understanding of a way the federal government generates and/or spends revenue.

Knowledge/Content

Students will know about....

Globalization is having major impacts on the United States economy, including the outsourcing of jobs, and off-shoring of corporations.

To export is to sell something to another country.

To import is to buy something from another country.

Skills/Processes

Students will be able to.....

I can evaluate the impact of globalization on the US economy.

I can identify imports and exports.

Phase III Textbook/Materials

Phase IV Summative Assessment Evidence

Common Summative Unit Assessments:

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Phase V Learning Plan