



- 3.) Define and provide examples of mixed-economies, authoritarian socialism, capitalism, and democratic socialism.
  - ◆ Authoritarian Socialism: Government owns or controls nearly all the factors of production. Example: Cuba
  - ◆ Capitalism: Individuals own the factors of production and answer the three basic questions. Example: United States
  - ◆ Democratic Socialism: Government owns some of the factors of production. Example: France
- 4.) Identify the six major economic goals of the United States.
  - ◆ Freedom
  - ◆ Efficiency
  - ◆ Equity
  - ◆ Security
  - ◆ Stability
  - ◆ Growth
- 5.) Analyze the consequences of an economic decision made by an individual.
- 6.) Explain how capitalism prevailed in the Cold War.
  - ◆ Consumer choice
  - ◆ Economic incentives
  - ◆ Military spending
- 7.) Compare the capitalistic economies of Western Europe, the United States, and Japan.
  - ◆ Government involvement in each country
  - ◆ Resource availability in each country
  - ◆ Level of taxation in each country
- 8.) Analyze how societal values determine how a country answers the three basic economic questions.
- 9.) Analyze how societal values influence, traditional, command, and market economies.
- 10.) Analyze the rise and fall of communism in the former Soviet Union.
  - ◆ Theories of Karl Marx - Marxism
  - ◆ Overthrow of Nicholas II by the Bolsheviks
  - ◆ War Communism
  - ◆ New Economic Policy
  - ◆ Stalin's Rule
  - ◆ Central Planning
  - ◆ Production Problems
  - ◆ Gorbachev takes control and introduces perestroika
  - ◆ Other communist regimes fall in Eastern Europe
  - ◆ USSR allows other political parties
  - ◆ Military coup attempted
  - ◆ Boris Yeltsin elected president
  - ◆ Baltic nations gain independence
  - ◆ Ukraine gains independence
  - ◆ Gorbachev resigns

2ABCD, 3AB, 9AB,  
15AB, 16A, 19BD,  
20A, 23ABCDEFGG,  
25AB, 26ABCD,  
27AB

11.) Define: societal values, profit motive, private property, voluntary exchange, economic rights and responsibilities.

### **Business Organizations:**

- 1.) Analyze the economic rights and responsibilities of businesses.
- 2.) Analyze the consequences of an economic decision made by a business.
- 3.) Analyze the ethics policy of a selected business.
  - ◆ Truth in advertising
  - ◆ Customer is always right
- 4.) Identify and evaluate ordinances and regulations that apply to the establishment of various types of businesses.
  - ◆ Corporate Charter
  - ◆ SEC, Securities and Exchange Commission
  - ◆ Zoning Laws
  - ◆ Safety Regulations
- 5.) Analyze the contributions of a major entrepreneur.
  - ◆ Invention
  - ◆ Effect on society
  - ◆ Influences on future inventions.
- 6.) Explain the characteristics of sole proprietorships, partnerships, and corporations.
  - ◆ Sole Proprietorship: One owner
  - ◆ Partnerships: Two or more owners
  - ◆ Corporations: Stockholders
- 7.) Analyze the advantages and disadvantages of sole proprietorships, partnerships, and corporations.
  - ◆ **Sole Proprietorship:**
    - Advantages: Ease of start-up, full control, exclusive rights to profits
    - Disadvantages: Unlimited liability, sole responsibility, limited growth potential, lack of longevity
  - ◆ **Partnerships:**
    - Advantages: Ease of start-up, specialization, shared decision making, shared business losses
    - Disadvantages: Unlimited liability, potential for conflict, lack of longevity
  - ◆ **Corporations:**
    - Advantages: Limited liability, ease in transferring ownership, separation of ownership from management, ease of raising capital, longevity
    - Disadvantages: Expensive corporate charter, government regulation, slow pace of decision making, owners have little say, double taxation

**7AB, 9C, 15AB,  
23ABCDEFGF,  
24AB, 25AB**

**Supply and Demand:**

- 1.) Identify the determinants that create changes in supply, demand, and price.
- 2.) Interpret a supply-and-demand graph using supply-and-demand schedules.
- 3.) Describe characteristics and give examples of pure competition, monopolistic competition, oligopoly, and monopoly.
  - ◆ Pure Competition: many competitors, ex., fruits and vegetables
  - ◆ Monopolistic Competition: many competing firms, ex., advertising
  - ◆ Oligopoly: few firms, ex., tires
  - ◆ Monopoly: one firm, ex., Houston Chronicle
- 4.) Identify the factors that cause shifts in demand.
  - ◆ Consumer taste and preferences
  - ◆ Market size
  - ◆ Income
  - ◆ Prices of related goods
  - ◆ Consumer expectations
- 5.) Identify the Law of Demand.
  - ◆ An increase in a goods' price causes a decrease in the quantity demanded.
- 6.) Analyze the differences between demand and quantity demanded.
  - ◆ Demand: the amount of a good or service a consumer is willing to buy at various prices.
  - ◆ Quantity demanded: the amount of a good or service a consumer is willing to buy at a particular price.
- 7.) Identify the determinants of demand elasticity.
  - ◆ Necessity versus luxury
  - ◆ Availability of substitutes
  - ◆ Cost versus percentage of income
- 8.) Identify supply, demand, equilibrium price, monopolistic competition, oligopoly, monopoly, and pure competition.
- 9.) Identify the Law of Supply.
  - ◆ Producers supply more goods and services when they can sell them at higher prices.
- 10.) Determine the difference between a price ceiling and a price floor.
  - ◆ Price ceiling: highest price a business can charge, ex., rent controls in New York City
  - ◆ Price floor: the lowest price a company can pay, ex., minimum wage
- 11.) Identify the determinants of supply.
  - ◆ Prices of resources
  - ◆ Government tools
  - ◆ Technology

13C, 16B, 19C,  
23ABCDEFG, 24ABCD, 25AB

- ◆ Competition
- ◆ Prices of related goods
- ◆ Producer expectations
- 12.) Identify the determinants of supply elasticity.
  - ◆ Time
  - ◆ Money
  - ◆ Resources not readily available
- 13.) Understand the role of prices in the U.S. economy.
  - ◆ Prices help allocate resources
  - ◆ Prices determine who gets what
- 14.) Identify how price interacts with demand and supply to create market equilibrium.
  - ◆ Equilibrium graph
  - ◆ Surplus
  - ◆ Shortage
- 15.) Identify how the price system responds to a surplus and a shortage.
  - ◆ Shortage-prices go up
  - ◆ Surplus-prices go down

#### **Measuring Economic Performance:**

- 1.) Identify the four components of GDP
  - ◆ Consumer
  - ◆ Business
  - ◆ Government
  - ◆ Foreign
- 2.) Analyze how the US trade deficit negatively affects the US GDP.
  - ◆ Imports are greater than exports
  - ◆ Results in adding a negative number to total
- 3.) Analyze the phases of the business cycle.
  - ◆ Expansion or recovery
  - ◆ Peak
  - ◆ Contraction or recession
  - ◆ Trough
- 4.) Apply the phases of the business cycle to the Great Depression.
- 5.) Explain how economists use leading indicators, coincident indicators, and lagging indicators to anticipate changes in the business cycle.
  - ◆ Leading indicators: number of building permits issued, number of orders for new goods, price of raw materials and stocks
  - ◆ Coincident indicators: personal income, sales volume, industrial production levels
  - ◆ Lagging indicators: use of consumer installment credit, number of business incomes, size of business incomes

1A, 2AB, 15B,  
17ABC, 18AB,  
20AB,  
23ABCDEFGG,  
24ABCD, 25AB,  
26ABCD, 27AB

- 6.) Explain the difference between real GDP and nominal GDP.
  - ◆ Real GDP is adjusted for inflation
- 7.) Identify factors that cause economic growth in the US economy.
  - ◆ Level of available technology
  - ◆ Capital investment
  - ◆ Education and skill level of the labor force

### **Fiscal and Monetary Performance of the U.S.:**

- 1.) Identify the types of taxes levied in the United States.
  - ◆ Proportional- takes some percentage from all income levels
  - ◆ Progressive- takes larger percentage from high incomes
  - ◆ Regressive- takes larger percentage from low incomes
- 2.) Identify the largest sources of tax revenue for the United States.
  - ◆ Individual income tax
  - ◆ Corporate income tax
  - ◆ Social security taxes
  - ◆ Property taxes
  - ◆ Sales taxes
- 3.) Identify your role as a tax payer.
  - ◆ Federal withholding tax
  - ◆ FICA
  - ◆ Sales taxes
- 4.) Define fiscal policy and taxes.
- 5.) Identify the origins of the Federal Reserve System.
  - ◆ 1<sup>st</sup> & 2<sup>nd</sup> Banks of the United States
  - ◆ The recessions of the late 1800's
  - ◆ The Panic of 1907
- 6.) Identify the organization of the Federal Reserve System.
  - ◆ Board of Governors
  - ◆ FOMC
  - ◆ Federal Reserve Banks
  - ◆ Member Banks
- 7.) Identify the services the Fed provides to banks.
  - ◆ Check clearing
  - ◆ Loans
- 8.) Identify services the Fed provides to the government.
  - ◆ Serving as the government's bank
  - ◆ Supervising the member banks
  - ◆ Regulating the national money supply
- 9.) Explain the components of the money system.
  - ◆ M1
  - ◆ M2
  - ◆ M3
- 10.) Identify the three tools of the Federal Reserve System.
  - ◆ Open market policy
  - ◆ Discount rate

8AB, 13ABCD,  
14AB, 18AB, 20B,  
22AB,  
23ABCDEFGF,  
24ABCD, 25AB,  
26CD, 27A

- ◆ Reserve requirements
- 11.) Explain how the Fed responds to changes in economic conditions
  - ◆ Easy money policy
  - ◆ Tight money policy
- 12.) Identify Ben Bernake. (Chairman of the Federal Reserve System)

### **Money and Banking:**

- 1.) Identify the origin of American money.
  - ◆ Austrian tollar
  - ◆ Spanish pieces of eight
- 2.) Identify the functions and uses of money.
  - ◆ Medium of exchange
  - ◆ Standard of value
  - ◆ Store of value
- 3.) Analyzing the characteristics of money.
  - ◆ Durability
  - ◆ Portability
  - ◆ Divisibility
  - ◆ Stability in value
  - ◆ Acceptability).
- 4.) Outline the history of money and its value.
  - ◆ Bartering
  - ◆ Commodity money
  - ◆ Representative money
  - ◆ Fiat money
- 5.) Identify the forms of money.
  - ◆ Coins
  - ◆ Paper currency
- 6.) Trace the history of banking.
  - ◆ Federalist and Anti-federalist views
  - ◆ 1<sup>st</sup> Bank of the United States
  - ◆ 2<sup>nd</sup> Bank of the United States
  - ◆ Dismantling of the 2<sup>nd</sup> Bank by Andrew Jackson
  - ◆ Wildcat banking
  - ◆ Fragmented banking
  - ◆ Unification of the banking system
  - ◆ Creation of the Federal Reserve System in 1913
  - ◆ New Deal banking in response to the Great Depression
  - ◆ The deregulation of the banking system in the early 1980's
- 7.) Identify the types of financial institutions.
  - ◆ Commercial banks
  - ◆ Savings & Loans Associations
  - ◆ Mutual savings banks
  - ◆ Credit unions

1AB, 11ABC, 19B,  
23ABCDEFG, 24ABCD, 25AB,  
26ABCD, 27AB

3B, 12A, 16B,  
19BC, 22AB,  
23ABCDEFG, 24ABCD, 25AB

- 8.) Outline the evolution of automated banking.
- ◆ ATM's
  - ◆ Automatic clearinghouse services
  - ◆ Point-of-sale terminals
  - ◆ Home banking

**Personal Finance Literacy:**

- 1.) Explain the dangers of credit cards.
  - ◆ Never more than 10% of take home pay
  - ◆ Limit number of cards
- 2.) Explain how to avoid and eliminate credit card debt.
  - ◆ Pay off each month
  - ◆ Only charge necessities
- 3.) Establish a personal savings program.
  - ◆ Save 5% of take home pay monthly
  - ◆ College savings
  - ◆ Retirement plans
- 4.) Create a personal budget.
- 5.) Identify steps to avoid bankruptcy.
  - ◆ Pay bills on time
  - ◆ Earn more than you spend
- 6.) Distinguish between the types of loans.
  - ◆ Car
  - ◆ School
  - ◆ Home
- 7.) Identify the types of insurance available.
  - ◆ Car
  - ◆ Life
  - ◆ Medical
  - ◆ Home/Rider for valuable items, ex., diamond rings
- 8.) Institute charitable giving.
- 9.) Define consumer economics, economic rights and responsibilities.

**Economic Challenges:**

- 1.) Identify the four major types of unemployment.
  - ◆ Frictional- workers move from one job to another or enter/re-enter the labor force
  - ◆ Structural- changes in technology
  - ◆ Seasonal- ski instructors, life guards, etc.
  - ◆ Cyclical- changes in business cycle
- 2.) Identify how illegal immigration affects U.S. unemployment.
  - ◆ Lowers wages for less skilled workers
- 3.) Distinguish between inflation and deflation.
  - ◆ Inflation raises prices
  - ◆ Deflation lowers prices

13ABCD, 14AB,  
22AB,  
23ABCDEFG, 24ABCD, 25AB

- 4.) Identify the cause of inflation
  - ◆ Demand pull
  - ◆ Cost push
- 5.) Analyze the effects of inflation.
  - ◆ The purchasing power of the dollar
  - ◆ The value of real wages
  - ◆ Interest rates
  - ◆ Saving and investing
  - ◆ Production costs
- 6.) Identify how economists determine the number of poor in the United States.
  - ◆ Poverty threshold
  - ◆ Poverty rate
- 7.) Analyze policies used by the government to reduce the income gap and decrease poverty
  - ◆ Increase access to educational resources
  - ◆ On the job training
  - ◆ Low income tax cuts
  - ◆ Minimum wage
  - ◆ Prohibiting the building of plants in foreign countries

#### **International Trade:**

- 1.) Distinguish the difference between absolute and comparative advantage.
  - ◆ Absolute: producing something more efficiently than its trade partner
  - ◆ Comparative: where the greatest absolute advantage occurs for each nation
- 2.) Define: absolute advantage, comparative advantage, barriers to trade, exchange rates, and international free trade.
- 3.) Apply the concept of comparative advantage to explain why countries trade.
- 4.) Analyze the impact of US imports and exports on the United States and its trade partners.
  - ◆ Increases standard of living for each country
- 5.) Analyze how changes in exchange rates of world currencies affect the balance of trade.
  - ◆ Adjustable peg system
  - ◆ Devaluation of currency
  - ◆ Floating exchange rate
- 6.) Identify reasons countries impose trade barriers.
  - ◆ Protect infant industries
  - ◆ Protect US jobs
  - ◆ Increase US standard of living
  - ◆ Preserve specialization

**4B, 11BC,  
23ABCDEFGG,  
24ABCD, 25AB**

- ◆ National security
- ◆ Fairness
- 7.) Identify major barriers to trade.
  - ◆ Tariffs (revenue and protective)
  - ◆ Import quotas
  - ◆ Voluntary trade restrictions
  - ◆ Embargos
- 8.) Trace the attempts for international trade cooperation.
  - ◆ Reciprocal trade agreements
  - ◆ Regional trade organizations
  - ◆ GATT
  - ◆ NAFTA

**Stock Market Simulation:**

- 1.) Define stocks, bonds, and consumer economics.
- 2.) Analyze why people trade or invest in stocks.
  - ◆ Gain a profit
  - ◆ Limit the risk on the investment
  - ◆ Become part owner of a corporation
- 3.) Distinguish between corporate & government bonds and stocks.
  - ◆ Stocks- part ownership of a company
  - ◆ Bonds- interest-bearing loan to a company or the government
- 4.) Identify how stocks are traded.
  - ◆ Brokers
  - ◆ Analysts
  - ◆ Investment banks
  - ◆ Stock exchanges
  - ◆ Over the counter markets
  - ◆ Internet investment companies