

Economics Review Assignment



SSEF1 The student will explain why limited productive resources and unlimited wants result in scarcity, opportunity costs, and tradeoffs for individuals, businesses, and governments.

Concept	Task	Response
Scarcity	Define Scarcity	Unlimited wants v. limited goods ↳ Services
Factors of production	Define and give examples of productive resources (factors of production) (e.g., land (natural), labor (human), capital (capital goods), entrepreneurship).	<p><u>Land</u> - Natural Resources</p> <p>Ex: Land, water, plants, coal</p> <p><u>Labor</u> - Humans doing work</p> <p>Ex: Changing oil, teaching, working register</p> <p><u>Capital</u> - anything used more than once to create a product</p> <p>Ex: Tools, machines, training.</p> <p><u>Entrepreneurship</u> - someone combining the Land, labor, capital to produce a good or service.</p> <p>Ex: Steve Jobs, Bob the lawn man</p>
Scarce Resources	Explain how individuals, businesses and society face tradeoffs	To gain something, you must give up other things
Opportunity Cost	Define Opportunity Cost	- Next best alternative .. - Buy a sandwich, Milky way was next best

SSEF2 The student will give examples of how rational decision making entails comparing the marginal benefits and the marginal costs of an action.

Concept	Task	Response
Production Possibilities Frontier (PPF)	<ol style="list-style-type: none"> Define PPF Draw a Production Possibilities model with Guns on one axis and Butter on the other Draw a point on the line, inside the line and outside the line and explain each 	<p>- Curve that shows max out put of 2 goods.</p>
Marginal Benefits and Costs	<ol style="list-style-type: none"> Define thinking at the margin. Explain what Karen has to give up for each hour of sleep. 	<ol style="list-style-type: none"> Deciding if next step is beneficial Time to be productive (an hour of study, cleaning, work, etc)

SSEF3 The student will explain how specialization and voluntary exchange between buyers and sellers increase the satisfaction of both parties.

Concept	Task	Response
Specialization	<ol style="list-style-type: none"> 1. Define Specialization 2. Give an example of how specialization is seen at Lassiter. 3. Give an example of how specialization is seen in the business world 	<p>Specialization: Individuals becoming good at a specific field/task.</p> <p>Ex. @Lassiter Teachers teaching 1 subject instead of all subjects</p> <p>Ex. in the business world: McDonalds → 1 cashier, 1 order taker, 1 burger cook, 1 fry cook</p>
Voluntary Exchange	<ol style="list-style-type: none"> 1. Define Voluntary Exchange 2. Explain how both parties (buyers and sellers) benefit from voluntary exchange 	<p>Voluntary Exchange:</p> <p>① Buyers & sellers freely & willingly trading</p> <p>② Value of item they are gaining ^{gaining} is greater than what they give up at the time.</p>

SSEF4 The student will compare and contrast different economic systems and explain how they answer the three basic economic questions of what to produce, how to produce, and for whom to produce.

Concepts	Task	Response
Economic Systems	<ol style="list-style-type: none"> 1. Define Market, Command and Mixed Economic Systems. 	<p><u>Market:</u> private ownership profit = incentive consumer demand drives production high competition Minimal gov. interference (protect individual rights)</p> <p><u>Command:</u> Gov. owns all property No profit incentive Gov. decides production No competition Gov. makes <u>all</u> decisions</p> <p><u>Mixed:</u> mixture of the two above Private ownership but gov can interfere private business, but gov taxes Business decide what to produce gov can incentivize or produce High level of competition Citizens start business - gov tax, license, labor laws</p>

	<p>1. Define economic freedom, security, equity, growth, efficiency, and stability.</p> <p>Freedom = individuals having ability to decide what to produce, consume, & distribute.</p>	<p>Economic Freedom:</p> <p>A. Security → protection from risk</p> <p>B. Equity → what is "fair"?</p> <p>C. Growth → increase production over time</p> <p>D. Efficiency → allocating factors of production to most productive use.</p> <p>E. Stability → making inflation predictable & preserving purchasing power of \$</p>		
	<p>2. List each system and explain which of the above goals are a priority of each system and why. What it looks like in each.</p> <p>⑥ Stability - Price levels fluctuate with Supply & Demand</p>	<p>Market</p> <p>① Freedom - rights of individ.</p> <p>② Equity - consumer choice is fair</p> <p>③ security - allowing competitive markets</p> <p>④ Growth - slow but sustainable</p> <p>⑤ efficiency - very - due to supply & demand</p>	<p>Command</p> <p>① Freedom - rights of individ None.</p> <p>② Equity - redistribution of wealth</p> <p>③ Security - gov. insurance, guaranteed jobs, housing/food.</p> <p>④ Growth - rapid but not usually sustainable</p> <p>⑤ Efficiency - not much because gov. owns everything</p> <p>⑥ Stability - gov controls price</p>	<p>Mixed</p> <p>① Freedom - Individ. rights, gov can interfere</p> <p>② Equity - consumer choice, gov. provides some social welfare</p> <p>③ security - competitive markets but gov can produce goods & services</p> <p>④ Growth - Sustainable</p> <p>⑤ Efficiency - yes, allows markets</p>

SSEF5 The student will describe the roles of government in a market economy.

Concept	Task	Response
<p>Government in a Market Economy</p>	<p>1. Describe why government provides public goods and services.</p> <p>2. Explain why government redistributes income.</p> <p>3. Explain the importance of government's protection of private property.</p>	<p>① "Shared consumption" - can't be made in markets... Think <u>interstate</u> or <u>parks</u> or <u>education</u></p> <p>② To pursue equity. Collect taxes & help those disabled or in need of assistance</p> <p>③ If people couldn't secure their property, they wouldn't pursue production. Includes intellectual property - books, music, etc</p>

	4. Explain how government can resolve market failures.	Anti-trust laws - stops monopoly/oligopoly
Government Regulation and Deregulation	1. Give examples of government regulation and deregulation and their effects on consumers and producers.	Regulation Preventing firms from being accountable in certain way, ① Nutrition labels on food - (obesity) lets consumers know what they eat. Holds producers accountable Deregulation

SSEF6 The student will explain how productivity, economic growth, and future standards of living are influenced by investment in factories, machinery, new technology, and the health, education, and training of people.

Concept	Task	Response
Productivity	1. Define input. 2. Define output. 3. Give an example of how productivity can be increased by using fewer inputs to produce more outputs.	Input: Cost of product (resources, time, labor) Output: product (goods/services) Example: Machine makes more shoes in less time than person.
Investments in Human Capital	1. Give examples of how investment in education can lead to a higher standard of living.	Find better ways to produce more while using less inputs (resources)

SSEMI1 The student will describe how households, businesses, and governments are interdependent and interact through flows of goods, services, and money.

Label	Task	Response
Circular Flow Model	1. Draw a circular flow model including the product market, factor market, households and firms, showing the flow of money and inputs and outputs. 2. Define product market and factor market	<u>See Blog</u> Product Market: Factor Market:
Money as a Medium of Exchange	1. Explain how money acts	I give you \$\$, you give me shoes

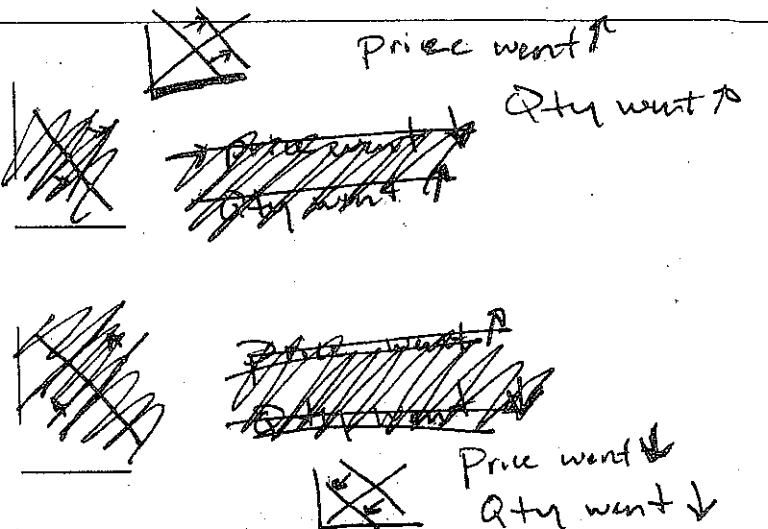
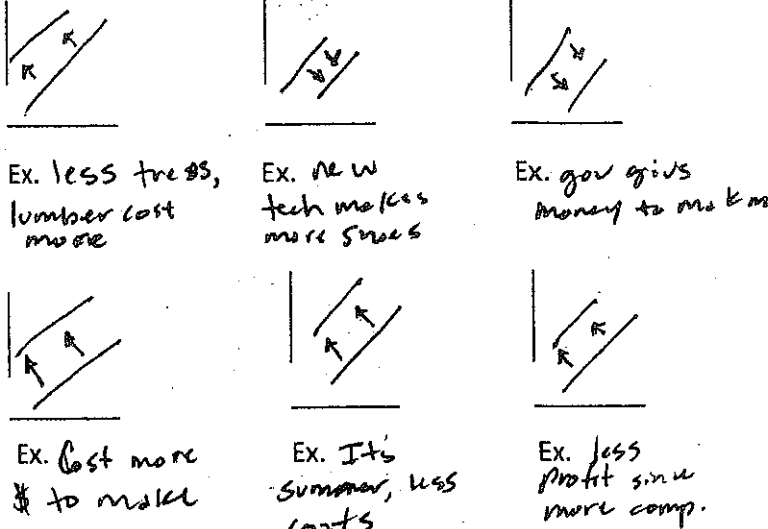
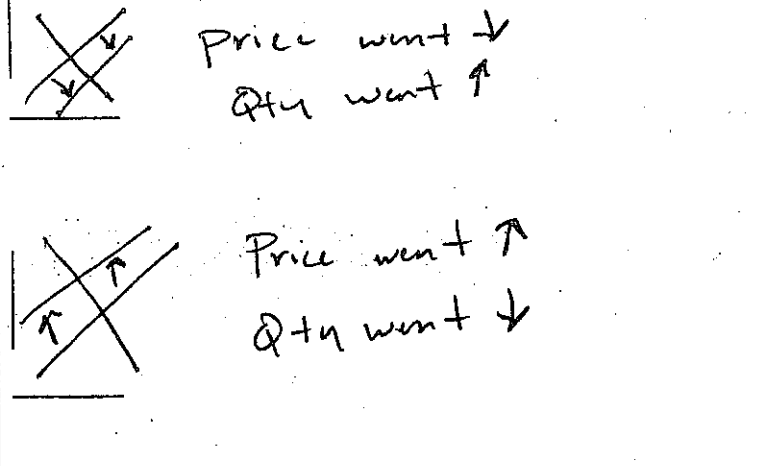
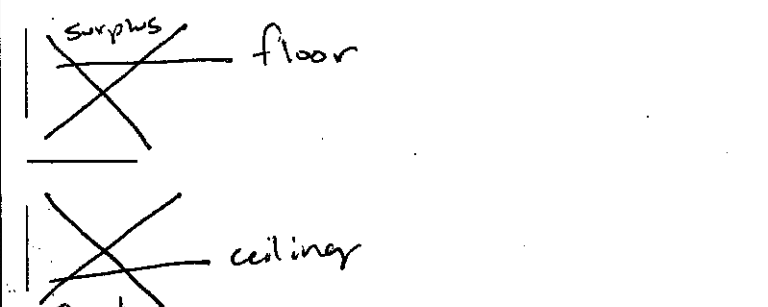
as a medium of exchange.

SSEM12 The student will explain how the Law of Demand, the Law of Supply, prices, and profits work to determine production and distribution in a market economy.

Concept	Task	Response
Law of Supply and Demand	<ol style="list-style-type: none"> Define Law of Demand Define Law of Supply 	Demand: price ↑, Demand ↓ (inverse) price ↓, Demand ↑ Supply: price ↑, Supply ↑ (direct) price ↓, Supply ↓
Equilibrium	<ol style="list-style-type: none"> Describe how buyers and sellers determine the market clearing price (equilibrium price) 	If too much \$, buyers don't buy If too little \$, producers don't produce
Supply and Demand Model	<ol style="list-style-type: none"> Draw a supply and demand graph. Label each axis as well as the equilibrium point with a P_e and Q_e. 	
Price and Profit Incentives	<ol style="list-style-type: none"> Explain how prices serve as incentives to both consumers and businesses. Explain the role of profit as an incentive for businesses 	<ol style="list-style-type: none"> ① Has to be right price to buy or produce ② If no desirable profit then why produce?

SSEM13 The student will explain how markets, prices, and competition influence economic behavior.

Concept	Task	Response
Determinants of Demand	<ol style="list-style-type: none"> Explain how the following can shift the demand curve: <ol style="list-style-type: none"> Consumer Income Consumer Expectations Population Consumer Tastes and Advertising Price of Related Goods 	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>a.</p> <p>Ex. lower taxes, more money</p> </div> <div style="text-align: center;"> <p>b.</p> <p>Ex. gas cheaper next wk</p> </div> <div style="text-align: center;"> <p>c.</p> <p>Ex. pop. grew</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;"> <p>d.</p> <p>Ex. Bests make you smart</p> </div> <div style="text-align: center;"> <p>e.</p> <p>Ex. point is on sale</p> </div> </div>

<p>Shifts in the Demand Curve</p>	<p>1. Draw a supply and demand graph showing a shift to the right (increase) in demand and the impact on price and quantity.</p> <p>2. Draw a supply and demand graph showing a shift to the left (decrease) in demand and the impact on price and quantity.</p>	 <p>Price went \uparrow Qty went \uparrow</p> <p>Price went \downarrow Qty went \downarrow</p>
<p>Determinants of Supply</p>	<p>1. Explain how the following can shift the supply curve:</p> <p>a. Effects of Rising Costs (input costs)</p> <p>b. Technology</p> <p>c. Subsidies</p> <p>d. Taxes</p> <p>e. Future Expectations</p> <p>f. Number of Suppliers</p>	 <p>Ex. less trees, lumber cost more</p> <p>Ex. New tech makes more shoes</p> <p>Ex. gov gives money to me & more</p> <p>Ex. Cost more \$ to make</p> <p>Ex. It's summer, less costs</p> <p>Ex. less profit since more comp.</p>
<p>Shifts in the Supply Curve</p>	<p>1. Draw a supply and demand graph showing a shift to the right (increase) in supply and the impact on price and quantity.</p> <p>2. Draw a supply and demand graph showing a shift to the left (decrease) in supply and the impact on price and quantity.</p>	 <p>Price went \downarrow Qty went \uparrow</p> <p>Price went \uparrow Qty went \downarrow</p>
<p>Price Floors and Price Ceilings</p>	<p>1. Draw a supply and demand graph with a price floor. Write surplus next to the price floor.</p> <p>2. Draw a supply and demand graph with a price ceiling. Write shortage next to the price</p>	 <p>surplus floor</p> <p>ceiling shortage</p>

	ceiling.	
Elasticity of Supply and Demand	<ol style="list-style-type: none"> 1. Define elasticity of demand. 2. Define elasticity of supply. 	<p>Elasticity of Demand: <i>How much change in demand due to price</i> elastic → Xbox inelastic → insulin / gasoline</p> <p>Elasticity of Supply:</p>

SSEM14 The student will explain the organization and role of business and analyze the four types of market structures in the U.S. economy.

Concept	Task	Response
Business Organizations	<ol style="list-style-type: none"> 1. Define sole proprietorship, partnership and corporation. 2. List the advantages and disadvantages of sole proprietorships, partnerships and corporations. 	<p><u>Sole Proprietorship:</u> 1 owner Adv: All profits / control Disadv: All Liability / cost</p> <p><u>Partnership:</u> 2 or more owners Adv: Shared liability / cost Disadv: shared profits / control (conflict)</p> <p><u>Corporation:</u> Sep. legal business Adv: No liability Disadv: less individ. profit/control ; tons of paperwork</p>
Market Structures	<ol style="list-style-type: none"> 1. Define monopoly, oligopoly, monopolistic competition and perfect (pure) competition. 2. Identify the basic characteristics of each market structure. 	<p><u>Monopoly:</u> 1 ^(seller) company - unique good - control of price Characteristic: High Barriers</p> <p><u>Oligopoly:</u> few seller - dominate market Characteristic: Strong price control High Barriers</p> <p><u>Monopolistic Competition:</u> many sellers, similar products Characteristic: Some control of price low barriers</p> <p><u>Perfect Competition:</u> no control of price (price taker) many firms - product is same - milk / oranges low/no barriers</p>

		Characteristic:
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"Macroeconomic Concepts"

SSEMA1 The student will illustrate the means by which economic activity is measured.

Concept	Task	Response
GDP	<ol style="list-style-type: none"> 1. Define Gross Domestic Product. 2. List and describe the formula for GDP. $C + I + G + (X - m)$ 3. Define economic growth. 4. Define aggregate demand and aggregate supply. 5. What are the 5 categories of goods/services not include in GDP? 	<p>GDP: what nation produces w/in borders (how we measure econ health)</p> <p>Components:</p> <p>C: Consumption</p> <p>I: Investment</p> <p>G: Gov. Spending</p> <p>NX: Net exports (X-m)</p> <p>Economic Growth: Economy is Improving</p> <p>Aggregate Demand: All demand</p> <p>Aggregate Supply: All supply</p>
Unemployment	<ol style="list-style-type: none"> 1. Define unemployment 2. Define frictional, cyclical, structural and seasonal unemployment 3. Write the formula for determining unemployment 	<p>Unemployment: People w/out jobs but looking</p> <p>Frictional: No job b/c school or looking for new field (good)</p> <p>Cyclical: No job because bad econ. <u>cycle</u> (not good)</p> <p>Structural: No job because not needed any more → new tech. (good)</p> <p>Seasonal: No job because seasons over Think Santa @ mall (good)</p>

		Formula:
Inflation	<ol style="list-style-type: none"> 1. Define inflation, stagflation and Consumer Price Index (CPI). 2. List the normal rate of inflation. 3. Write the formula for determining the inflation rate. 	<p>Inflation: Prices Increase (less purchase power)</p> <p>Stagflation: Inflation + Stagnant econ. (this is Really Bad)</p> <p>CPI: measure of "basket goods" does it include volatile goods like gas/electricity</p> <p>Normal Rate of Inflation:</p> <p>Inflation Formula:</p>

<p>Stages of the Business Cycle</p> <p>Recession → two yds. of contraction</p> <p>Depression → Continued (long time) contraction</p>	<ol style="list-style-type: none"> 1. Define peak, contraction, trough, recovery, expansion, recession and depression. 2. Draw a diagram to show the stages of the business cycle. 	<p>Peak:</p> <p>Contraction:</p> <p>Recovery:</p> <p>Expansion:</p> <p>Depression:</p> <p>Diagram:</p> <p>* Notice over time it's an upward trend</p>
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SSEMA2 The student will explain the role and functions of the Federal Reserve System.

Concept	Task	Response
Federal Reserve	<ol style="list-style-type: none"> 1. Explain how the Federal Reserve System is structured. 	See Blog
Monetary Policy	<ol style="list-style-type: none"> 1. Define monetary policy. 2. List and describe the 3 tools of the Fed's monetary policy. 	<p>Monetary Policy: Federal Reserve</p> <p>Tools of the Fed:</p> <ol style="list-style-type: none"> a. Bonds b. Rates

	3. Explain the difference between expansionary (easy-money) and contractionary (tight-money) monetary policy.	<p>c. Reserve Requirements</p> <p>Expansionary <u>Easy \$</u> Buy Bonds lower rates lower RR (Adding money)</p> <p>Contractionary <u>Tight \$</u> Sell Bonds Raise Rates Raise RR (Taking money)</p>
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SSEMA3 The student will explain how the government uses fiscal policy to promote price stability, full employment, and economic growth.

Concept	Task	Response
National Debt and Government Deficits	<p>1. Define fiscal policy, national debt and government deficit.</p> <p>2. Explain the difference between the national debt and government deficit.</p> <p>3. List and describe the 2 tools of government fiscal policy.</p> <p>4. Explain the difference between expansionary and contractionary fiscal policy.</p>	<p>Fiscal Policy: <u>Government Policies</u></p> <p>National Debt: <u>what we owe</u></p> <p>Government Deficit:</p> <p>National Debt vs. Govt. Deficit</p> <p>Fiscal Policy Tools: <u>Taxes & Spending</u></p> <p>Expansionary vs. Contractionary</p> <p>lower taxes vs. raise taxes</p> <p>increase spending vs. decrease spending</p> <p>(adding \$) vs. (taking \$)</p>

"International Economics"

SSEIN1 The student will explain why individuals, businesses, and governments trade goods and services.

Concept	Task	Response
Absolute and Comparative Advantage	<ol style="list-style-type: none"> 1. Define absolute and comparative advantage. 2. Give an example of how trade in the world today occurs because of comparative advantage. 	<p>Absolute Advantage: Who has advantage in <u>1</u> product</p> <p>Comparative Advantage: Who has lower opp. cost when comparing production of <u>multiple</u> products</p> <p>Example:</p>
Balance of Trade	<ol style="list-style-type: none"> 1. Define balance of trade and balance of payments. 2. Define trade surplus and trade deficit. 	<p>Balance of Trade: Net exports $X - m$</p> <p>Balance of payments:</p> <p>Trade Surplus: If more exports</p> <p>Trade Deficit: If more imports</p>

SSEIN2 The student will explain why countries sometimes erect trade barriers and sometimes advocate free trade.

Concept	Task	Response
Trade Barriers	<ol style="list-style-type: none"> 1. Define trade barriers, import quotas, voluntary export restraint and embargo 	<p>Trade Barrier: laws / actions to reduce trade</p> <p>Quotas: limit on imports</p> <p>Tariffs: Tax on imports</p> <p>Standards: requirements good must meet (no lead paint)</p> <p>Embargo: completely ban trade (Cuba / N. Korea)</p>
Costs and Benefits of Trade Barriers	<ol style="list-style-type: none"> 1. What are the effects of trade barriers. 	<p>protect domestic products</p>

	2. List examples of trade barriers.	
Trading Blocs	1. Describe the North American Free Trade Agreement (NAFTA), European Union (EU) and the Association of Southeast Asian Nations (ASEAN)	<p>NAFTA: USA, Mexico, Canada</p> <p>EU: Free trade for most Euro countries, same currency → the "Euro"</p> <p>ASEAN: border free trade in S.E. Asia, no common currency, has free borders. Similar to NAFTA</p>
Arguments for and against Free Trade	1. Describe the concept of protectionism and protecting infant industries.	

SSEIN3 The student will explain how changes in exchange rates can have an impact on the purchasing power of individuals in the United States and in other countries.

Concept	Task	Response
Exchange Rates	<ol style="list-style-type: none"> 1. Define Exchange Rate. 2. How much was the U.S. dollar worth against the Euro now? 3. Solve for the following: You and your family decide to go to the Mexico for a vacation. You find out that a hotel room in Mexico costs 300 Pesos per night. Determine the how much 	<p>Exchange Rate: how much 1 country's currency is worth in another country.</p> <p>Show your work.</p>

	it would cost in American dollars for you and your family to stay each night.	
Appreciation vs. Depreciation	<ol style="list-style-type: none"> 1. Define appreciation and depreciation. 2. Explain what happens when one country's currency gets stronger and another country's gets weaker. 	<p>Appreciation: Value goes ↑</p> <p>Depreciation: Value goes ↓</p>

"Personal Finance Economics"

SSEPF1 The student will apply rational decision making to personal spending and saving choices.

Concept	Task	Response
Positive and Negative Incentives	<ol style="list-style-type: none"> 1. Define incentives 2. Define positive and negative incentives. 	
Rational Decision Making Model	<ol style="list-style-type: none"> 1. Using figure 1.3 on page 11 in your textbook, at what point is this person paying an added cost with marginally less benefit? 	
Saving and Investing	<ol style="list-style-type: none"> 1. Define budget. 2. Answer the following: How much would you need to save each month if you wanted to save \$3600 for a down 	<p>Budget: How you spend \$ in a time period (usually a month)</p> <p>② \$300 per month</p>

payment in a one year period?

SSEPF2 The student will explain that banks and other financial institutions are businesses that channel funds from savers to investors.

Label	Task	
Financial institutions	<ol style="list-style-type: none"> Using the tables on page 515, which Plan offers the best APR? What happens to the total interest paid as the amount of year's increases? 	APR = Annual Percentage Rate
Interest Charged and Interest Earned	<ol style="list-style-type: none"> Explain how a bank makes profit on deposits. 	
Risk and Return	<ol style="list-style-type: none"> Explain the relationship between risk and return. List investments that might be considered "high risk". List investments that might be considered "low risk". 	<p>② Stocks</p> <p>③ mutual funds / Bonds</p>
Financial Investments	<ol style="list-style-type: none"> Define stocks, bonds and mutual funds. 	<p>Stocks: investment in single company (risky)</p> <p>Bonds: Loan gov. money (safe)</p> <p>Mutual funds: investing in several companies (low risk)</p>

SSEPF3 The student will explain how changes in monetary and fiscal policy can have an impact on an individual's spending and saving choices.

Concept	Task	Response
Gains and Losses from Inflation	<ol style="list-style-type: none"> Define purchasing power. Give an example of 	<p>Purchasing Power: How much you can get w/ money</p> <p>"Buyer for your Buck"</p>

	<p>someone that could lose from inflation.</p> <p>3. Give an example of someone that would gain from inflation.</p>	<p>② Someone on fixed income</p> <p>③ Someone who bought something @ low price on loan (housing market)</p>
Types of Taxes	<p>1. Define progressive, regressive, and proportional taxes.</p> <p>2. Give an example of each of the types of taxes.</p> <p>3. Explain who bears the burden of each of the types of taxes.</p>	<p><u>Progressive:</u> \uparrow as $\\$/Income \uparrow$</p> <p>US Income Tax</p> <p>Ex./Burden</p> <p><u>Regressive:</u> \downarrow as $\\$/Income \uparrow$</p> <p>SALES TAX (poor ppl are paying more of their income to)</p> <p>Ex./Burden</p> <p><u>Proportional Taxes:</u> \uparrow is same or "flat" no matter Income</p> <p>Ex./Burden Soc. Security</p>

SSEPF4 The student will evaluate the costs and benefits of using credit.

Concepts	Task	Response
Credit Worthiness	<p>1. List factors (C's) that affect credit worthiness.</p>	<p>Character (Credit Score)</p> <p>Collateral</p> <p>Capacity to pay</p>
Simple and Compounding Interest	<p>1. Define simple interest and compounding interest.</p> <p>2. What is the difference between simple and compounding?</p> <p>3. Write the formula for simple interest.</p>	<p>Simple Interest: only to original amount</p> <p>Compound Interest: Accrued interest gets added to principle amount</p> <p>Formula:</p>

SSEPF5 The student will describe how insurance and other risk-management strategies protect against financial loss.

Concept	Task	Response
Types of Insurances	<p>1. Describe the following insurances: automobile, health, life, disability and property.</p>	<p>Automobile: If you're in accident</p> <p>Health: Helps pay med. cost</p> <p>Life: If you die</p>

		Disability: \$ to pay bills if can't work Property: If house burns, flood, tornado, etc.
Costs of Insurances	2. Define premium and deductible.	Premium: pay some now in case future event → protection Deductible: Amount you must pay out of pocket 1st

SSEPF6 The student will describe how the earnings of workers are determined in the marketplace.

Concept	Task	Response
Skills for the workplace	1. Describe skills necessary to be successful in the workplace.	work ethic, punctuality, time management, team work, communication, good character
Investments in Human Capital	1. Explain the significance of investment in education, training, and skill development.	Earn Higher Wages