Alabama Social Studies

Grade 12: Economics

Fundamental Economic Concepts SS24.E.FEC

1 Investigate and share information on how scarcity can impact factors of production and the decision-making of individuals, businesses, and governments. SS24.E.1

- a Explain the relationship between scarcity as a basic condition of economics and the decision-making needed to allocate limited resources. SS24.E.1A
- b Explain how land (natural resource), labor (human resource), capital (physical or human resource), and entrepreneurship function as factors of production. SS24.E.1B

2 Compare marginal benefits and marginal costs of an action, using rational decision-making. SS24.E.2

- a Analyze how changes in opportunity costs impact the rational decision-making of individuals, businesses, and governments. SS24.E.2A
- b Illustrate and explain how rational decision-making involves the consideration of trade-offs and opportunity costs. SS24.E.2B

3 Compare the methods that various economic systems use to allocate goods and services. SS24.E.3

- a Describe the key elements of command, market, and mixed economic systems. SS24.E.3A
- b Research and share information illustrating how different economic systems answer the basic economic questions of what to produce, how to produce, and for whom to produce. SS24.E.3B
- c Compare the ways that different economic systems address competition, consumer sovereignty, government regulation, private ownership, and profit motive. SS24.E.3C

American Market Economy SS24.E.AME

4 Draw conclusions about how supply, demand, and price interact in a market economy. SS24.E.4

- a Utilize circular flow diagrams to illustrate and explain the operation of the product market; the operation of the factor market; the real flow of goods and services between and among businesses, households, and government; and the flow of money. SS24.E.4A
- b Apply the law of supply and demand to everyday consumer and business decisions. SS24.E.4B

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c Explain how prices serve as incentives in a market economy, and how factors other than price cause changes in supply and demand. SS24.E.4C

d Illustrate and explain how supply and demand determine equilibrium price and quantity and how price movements eliminate shortages and surpluses. SS24.E.4D

5 Compare and contrast types of business firms, including sole proprietorships, partnerships, and corporations. SS24.E.5

a Evaluate the role of profit as an incentive for short- and long-term decisions by corporations, partnerships, and sole proprietorships. SS24.E.5A

b Distinguish among the levels of competition that exist in market and mixed economic systems, including pure competition, monopoly, monopolistic competition, and oligopoly. SS24.E.5B

c Research and present information on the role and impact of economic institutions on state and national economies, including labor unions and nonprofit organizations. SS24.E.5C

6 Analyze data to describe the shifting demographics of the labor force of the United States in the twentieth and twenty-first centuries, including age, education, gender, race, regional specialization, and socioeconomic background. SS24.E.6

a Explain how the characteristics of the labor force influence wages and non-wage benefits and affect economic growth. SS24.E.6A

b Explain how the supply and demand of labor influence wage and non-wage benefits and affect economic growth. SS24.E.6B

Government in Economics SS24.E.GIE

7 Analyze the role of government in a market economy. SS24.E.7

a Research and explain ways the government influences the economy, including promoting and securing competition, protecting private property rights, distributing resources, providing public goods and services, resolving externalities and other perceived market failures, and stabilizing growth in the economy. SS24.E.7A

b Assess how government regulation and deregulation affect consumers and producers. SS24.E.7B

c Explain how the budgetary categories of government revenue and expenditures impact the collection of taxes and the distribution of resources. SS24.E.7C

8 Explain how economic measurements, including the Consumer Price Index (CPI), the Gross Domestic Product (GDP), inflation rates, labor force participation rate, and unemployment figures, are used to assess the overall economic health of the country. SS24.E.8

a Analyze how spending and production decisions made by households, businesses, and government determine overall levels of income, employment, and prices. SS24.E.8A

b Compare and contrast structural, cyclical, and frictional unemployment. SS24.E.8B

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c Describe the stages of the business cycle and explain how employment and inflation change during those stages. SS24.E.8C

d Explain how unemployment and inflation affect individuals and nations, citing specific examples. SS24.E.8D

9 Explain how fiscal and monetary policy influence price stability, employment, and economic growth, citing examples from the past hundred years. SS24.E.9

a Explain how the United States Federal Reserve System regulates the banking system and uses its tools of monetary policy through an ample reserve system to achieve its economic goals. SS24.E.9A

b Describe how Congress and state legislatures use fiscal policy to achieve their economic, social, and political goals, including taxing, spending, grants, and mandates. SS24.E.9B

c Correlate fluctuations in government deficits over time to the extent of national debt during those periods. SS24.E.9C

Global Economy SS24.E.GE

10 Analyze the factors that determine and shape a country's standard of living. SS24.E.10

a Explain how the relationship between inputs and outputs is used to calculate productivity at various levels of the economy. SS24.E.10A

b Explain how investments in education, equipment, factories, healthcare, new technology, and training promote economic growth and enhance living standards. SS24.E.10B

c Research and share information on how Alabama and the United States relate to the global economy in terms of current technological innovations and technology-based industries. SS24.E.10C

11 Explain why individuals, businesses, and nations engage in trading goods and services in the global economy. SS24.E.11

a Contrast absolute advantage to comparative advantage, and explain how they are used to measure gains from trade. SS24.E.11A

b Locate and utilize current economic data to demonstrate how changes in exchange rates impact the purchasing power of individuals and businesses. SS24.E.11B

c Analyze why countries sometimes impose trade barriers and sometimes engage in free trade. SS24.E.11C

d Construct and explain examples of specialization and exchange. SS24.E.11D