Indiana CTE

Consumer Economics

PROCESSES Explain, demonstrate, and integrate processes of thinking, communication, leadership, and management in order to apply family and consumer sciences knowledge and skills. CE 1	**a** Demonstrate components of critical thinking, creative thinking, and reasoning. CE 1.1
	b Evaluate effective communication processes in school, family, career, and community settings. CE 1.2
	c Demonstrate leadership that encourages participation and respect for the ideas, perspectives, and contributions of group members. CE 1.3
	d Apply management, decision-making, and problem-solving processes to accomplish tasks and fulfill responsibilities. CE 1.4
	e Examine the interrelationships among thinking, communication, leadership, and management processes to address family, community, and workplace issues. CE 1.5
INDIVIDUAL AND FAMILY ECONOMIC ROLES Analyze economic actions and responsibilities of individuals and families in their roles as exchanger, consumer, investor, saver, producer, and citizen. CE 2	**a** Examine interrelationships among standards, needs, wants, and goals of individuals and families and their economic roles as exchanger, consumer, investor, saver, producer, and citizen. CE 2.1
	b Assess and gain control of economic roles in light of personal standards, wants, needs, and goals. CE 2.2
	c Assess the power of individuals and families to proactively choose how, when and in what ways they develop and exchange their human resources for money, goods, and services. CE 2.3
	d Examine interrelationships of standards, wants, needs, goals, and consumer satisfaction. CE 2.4
	e Analyze activities and institutions used to satisfy the consumer needs and wants of individuals and families. CE 2.5
	f Determine advantages and disadvantages of investing and saving for individuals, families, and society. CE 2.6
	g Examine investment and saving activities, institutions, and alternatives. CE 2.7
	h Investigate resources and activities used by families and individuals as producers to transform human and nonhuman resources into goods and services. CE 2.8

Skip to main content

	i Demonstrate responsible citizenship and leadership in allocating individual, family, and community resources. CE 2.9
SCARCITY Explain that because of scarcity (unlimited wants and limited resources), economics systems must be developed by individuals, families, communities, and societies in order to determine how goods and services will be produced and distributed. CE 3	a Appraise how consumers and producers confront the concepts of scarcity, choice, and opportunity cost. CE 3.1
	b Define each of the productive resources (natural, human, capital) and identify the returns on each for individuals, families, and communities. CE 3.2
	c Identify the characteristics of traditional, market, command, and mixed economies in families, communities, and societies. CE 3.3
	d Compare, contrast, and examine impacts on individuals, families, and communities as to how the traditional, market, command, and mixed economic systems answer the questions: What to produce? How to produce it? and For whom to produce it? CE 3.4
	e Use a production possibilities curve to explain the concepts of choice, scarcity, opportunity cost, tradeoffs, unemployment, productivity, and growth, as applied to individual, family, and community economic roles. CE 3.5
	f Identify and explain how individuals and families practice and are affected by the basic economic goals of freedom, efficiency, equity, security, and growth. CE 3.6
	g Develop and apply a decision-making model to solve economic problems in individual, family, and community settings. CE 3.7
SUPPLY AND DEMAND Analyze the role that supply and demand, prices, and profits play in determining what individuals, families, businesses, communities, and societies produce and distribute in a market economy. CE 4	a Demonstrate how supply and demand determine equilibrium price and quantity in the product, resource, and financial markets. CE 4.1
	b Predict factors that would cause changes in market supply and demand and their impacts on individuals, families, businesses, and communities. CE 4.2
	c Apply the laws of supply and demand in individual, family, and community situations. CE 4.3
	d Demonstrate how government wage and price controls create shortages and surpluses for individuals, families, communities, and society. CE 4.4
	e Explain the functions of profit in a market economy. CE 4.5
	f Use the concepts of price elasticity of demand and supply to explain and predict changes in quantity as price changes. CE 4.6
	g Explain how consumers ultimately determine what is produced in a market economy (consumer sovereignty). CE 4.7

Skip to main content

MARKET STRUCTURE
Describe the organization and role of the firm, analyze the various types of market structures in the United States Economcy, and assess their impacts on individuals, families, businesses, communities, and society. CE 5

- **a** Compare and contrast the following forms of business organization: sole proprietorship, partnership, and corporation. CE 5.1
- **b** Identify the three basic ways that firms finance operations (retained earnings, stock issues, and borrowing), and explain the advantages and disadvantages of each. CE 5.2
- **c** Explain ways that firms engage in price and non-price competition and how this affects individuals, families, and communities. CE 5.3
- **d** Identify laws and regulations adopted in the United States to promote competition among firms. Explain how the effects of these laws have sometimes reduced competition and the impacts of this on individuals, families, and communities. CE 5.4
- **e** Describe the benefits of natural monopolies (economies of scale) and the purposes of government regulation of these monopolies (such as utilities). CE 5.5
- **f** Define cartels, and explain how cartel collusion affects product price and output. CE 5.6

ROLE OF GOVERNMENT
3 Family and Consumer Sciences: Consumer Economics 8/01/2005
Examine government roles and actions in a market economy and their effects on individuals, families, businesses, communities, and society. CE 6

- **a** List and explain the basic functions of government in a market economy. CE 6.1
- **b** Identify categories of goods and services provided by various levels of government and the roles of individuals, families, and communities in selecting, supporting, producing, and using these goods and services. CE 6.2
- **c** Explain how government responds to positive and negative externalities in the economy. CE 6.3
- **d** Describe major expense and income categories and their respective proportions of state and federal budgets. CE 6.4
- **f** Describe different types of taxes including income, sales, property, and social security, and determine whether they are progressive, proportional, or regressive. CE 6.5
- **g** Assess the impact of specific progressive, proportional, and regressive taxes on individuals, families, and communities with different economic characteristics. CE 6.6
- **h** Assess current and future impacts of recent trends in the federal budget deficit and the national debt on individuals, families, and the national economy. CE 6.7
- **i** Appraise recent trends in state and federal spending and taxation, and analyze the cause of recent federal budget deficits. CE 6.8

MC
OF
INSTITUTIONS Examine

Skip to main content

nalyze and explain the basic functions of money for individuals, families, ommunities, and society. CE 7.1

the role of money and financial institutions in a market economy and their impacts on individuals, families, businesses, communities, and society. CE 7	**b** Identify the composition of the money supply in the United States. CE 7.2
	c Explain the role of banks and other financial institutions in the economy of the United States and in the day-to-day activities of individuals, families, and communities. CE 7.3
	d Describe the organization, functions, and impacts of the Federal Reserve System. CE 7.4
	e Demonstrate how banks create money through the principle of fractional reserve banking, and explain the impacts of this practice on individuals, families, and communities. CE 7.5
	f Identify different causes of inflation. Determine who gains and loses by inflation using individual, family, and community examples. CE 7.6
	g Compare and contrast services available to individuals and families from financial institutions (e.g. credit, savings, and investment). CE 7.8
LABOR PRODUCTIVITY **Explain the importance of labor productivity to individuals, families, communities, firms, and nations by explaining how labor productivity affects income, production, costs, and standard of living.** CE 8	**a** Define labor productivity; identify basic factors (technology, education and training, specialization) which affect productivity. CE 8.1
	b Explain how increases in labor productivity improve wages and standards of living for individuals, families, communities, and society. CE 8.2
	c Explain how individual and family decisions to create and purchase new capital goods or to invest in education and training involves a trade-off of fewer consumer goods or services in the present in return for higher future labor productivity. CE 8.3
	d Explain and give individual, family, community, and society examples of economies of scale. CE 8.4
	e Explain ways that employers and employees have worked together to improve business productivity. CE 8.5
	f Compare and contrast labor productivity trends in the United States and other developed countries. CE 8.6
	g Demonstrate how government expenditures, regulations, and tax policy can influence labor productivity. CE 8.7
	h Compare and contrast how the market and nonmarket forces (such as union activity, family friendly policies) influence wage rates and labor productivity. CE 8.8
EC **ST** **ec**	**)efine/explain the following concepts and their interrelationships with the conomic roles and activities of individuals, families, and communities: fiscal**

Skip to main content

policies, how they impact the economy, and how they influence and are influenced by individuals, families, businesses, communities, and society. CE 9	**policy, monetary policy, aggregate supply and demand, unemployment, gross domestic product.** CE 9.1
	b Explain the four phases of the business cycle: expansion, peak, contraction, and recession. CE 9.2
	c Explain how the relationship between aggregate supply and aggregate demand is an important determinant of the levels of unemployment and inflation in an economy. CE 9.3
	d Explain how the government uses taxing and spending decision (fiscal policy) to promote price stability, maximum employment, and economic growth. CE 9.4
	e Explain the limitations of using Gross Domestic Product (GDP) to measure economic welfare. CE 9.5
	f Explain how the Federal Reserve uses monetary tools to promote price stability, maximum employment, and economic growth. CE 9.6
	g Explain how monetary policy affects the level of inflation in the economy. CE 9.7
TRADE Explain why nations trade goods and services and explain the impact of trade on the economies of the nations involved. CE 10	**a** Define/explain the following concepts, with an emphasis on individual, family, and community applications and impacts: absolute advantage, comparative advantage, quotas, tariffs, exchange rates, balance of payments, balance of trade, trade deficit. CE 10.1
	b Explain the benefits of trade among individuals, families, businesses, communities, regions, and nations. CE 10.2
	c Explain why countries sometimes erect barriers to trade. CE 10.3
	d Summarize the arguments for and against free trade. CE 10.4
	e Explain the difference between balance of trade and balance of payments. CE 10.5
	f Explain fluctuations in currency exchange rates and how these fluctuations affect trade. CE 10.6
	g Describe impacts of trade agreements such as the North Atlantic Free Trade Agreement (NAFTA) and the General Agreement on Tariffs and Trade (GATT) on individuals, families, communities, and countries. CE 10.7