Indiana Social Studies Content Connectors

Economics

Scarcity and Economic Reasoning

1. Match a productive resource (i.e., natural, human, capital) to its role in producing goods and services. (E) E.1.1A
2. Identify incentives and how positive and negative incentives work to influence economic behavior. E.1.2A
3. Identify why households, businesses, and governments engage in voluntary exchange. E.1.3A
4. Describe how scarcity leads to choices, and identify the opportunity costs associated with decisions. (E) E.1.4A
5. Use a production possibilities curve to show trade offs and opportunity costs. E.1.5A
6. Identify the characteristics of traditional, market, and command economies. E.1.6A
7. Identify why property rights are important to market economies. E.1.7A
8. Identify how investment in capital (physical and human) leads to increased productivity. (E) E.1.8A
9. Use a circular flow diagram to show how money flows from businesses to households, and from households to businesses. E.1.9A

Supply and Demand

1. Define the Law of Supply and the Law of Demand. (E) E.2.1A
2. Identify that consumers determine what is produced. E.2.2A
3. Identify the equilibrium price and quantity on a market supply and demand graph. E.2.3A
4. Identify factors that cause changes in market supply and demand. E.2.4A
5. Describe factors other than price that might affect the number of items purchased. E.2.5A
6. Identify factors that determine how much workers are paid. Examples: market value of the product produced, workers' productivity, and collective bargaining. (E) E.2.6A

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Market Structures	1	**Describe sole proprietorships, partnerships, and corporations.** E.3.1A
	2	**Describe monopolies and competitive markets.** E.3.2A
	3	**Identify how competition in markets affects price and quality. (E)** E.3.3A
Role of Government	1	**Define public goods and identify how market failures lead to underproduction of public goods.** E.4.1A
	2	**Identify why the government has an interest in the production of public goods and services. (E)** E.4.2A
	3	**Identify how the government subsidizes positive externalities to resolve inefficiencies or why the government taxes negative externalities.** E.4.3A
	4	**Describe challenges that state and federal governments face in achieving a balanced budget. (E)** E.4.4A
	5	**Identify personal income tax as a progressive tax, sales tax, and Federal Income Contributions as a regressive tax. (E)** E.4.5A
	6	**Describe budget debt and budget deficit and identify an effect of both on the economy. (E)** E.4.6A
National Economic Performance	1	**Describe gross domestic product (GDP), unemployment, and inflation.** E.5.1A
	2	**Describe how rational spending of households, businesses, and government impacts a country's overall income, employment, and price level.** E.5.2A
	3	**Identify the limitations of using GDP to measure economic welfare.** E.5.3A
	4	**Identify the causes of inflation (i.e., cost-push and demand-pull). (E)** E.5.4A
	5	**Describe the business cycle in a market economy.** E.5.5A
	6	**Identify the different types of unemployment, including structural, cyclical, frictional, and seasonal.** E.5.6A
Money and the Role of Financial Institutions	1	**Identify a function of money.** E.6.1A
	2	**Identify the role banks or other financial institutions play for savers, borrowers, and investors. (E)** E.6.2A
	3	**Identify how banks create money when loans are made and the role that the fractional reserve plays in the process.** E.6.3A
	4	**Identify the different functions of the Federal Reserve, including regulating the money supply, regulating banks, and providing financial services to the U.S. government.** E.6.4A

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	5	**Identify how interest rates benefit savers and borrowers. (E)** E.6.5A
	6	**List two or more ways to invest money to save for the future. (E)** E.6.6A
	7	**Identify equilibrium price and quantity on a supply and demand graph.** E.6.7A
Economic Stabilization	1	**Define fiscal and monetary policy.** E.7.1A
	2	**Identify the tools of fiscal policy (government spending and taxes) and the tools of monetary policy (interest rates, reserve requirements, buying and selling of treasury bonds).** E.7.2A
	3	**Identify the ways the government uses fiscal policy to promote economic stability, full employment, and economic growth.** E.7.3A
	4	**Identify how the use of fiscal policy affects budget deficits or surpluses and the national debt.** E.7.4A
	5	**Identify the ways the Federal Reserve uses monetary policy to promote economic stability, full employment, and economic growth.** E.7.5A
Trade	1	**Define trade barriers and identify why a country erects them.** E.8.1A
	2	**Define free trade and identify one reason for and one reason against free trade.** E.8.2A