Oklahoma Social Studies

Grades 9-12: Economics

Adopted 2019

Economics

1. **The student will develop and apply economic reasoning and decision-making skills.** E.1
    1. Define and apply basic economic concepts of money supply, scarcity, surplus, choice, opportunity cost, cost/benefit analysis, risk/reward relationship, incentive, disincentive, and trade-off to a variety of economic situations. E.1.1
    2. Determine appropriate courses of economic actions using a variety of economic reasoning and decision-making models. E.1.2
    3. Examine how the decision-making process is impacted by the scope of the decision and the size of the decision-making entity. E.1.3
    4. Explain that people tend to respond to fair treatment with fair treatment and to unfair treatment with retaliation, even when such reactions may not maximize their material wealth. E.1.4

2. **The student will evaluate how societies answer the three basic economic questions: what goods and services to produce, how to produce them and for whom are they produced.** E.2
    1. Compare the world's basic economic systems of market (free enterprise), command, and mixed market economies identifying countries that have adopted each and comparing the results such economic systems have produced in those countries as measured by GDP, national prosperity, individual income, and wealth. E.2.1
    2. Describe the role of the factors of production, land, labor, capital, entrepreneurship, and technology as well as the place of imports and exports in economic systems. E.2.2
    3. Answer how the three basic economic questions affect personal income and in turn impact the economic system. E.2.3
    4. Explain the costs and benefits of government fiduciary policy and regulations including the impact both have on competition. E.2.4
    5. Describe the impact of comparative and absolute advantage upon the three basic economic questions. E.2.5

3. **The student will explain how prices are set in a market economy and will determine how price provides incentives to buyers and sellers.** E.3
    1. Analyze how price and non-price factors affect the demand and supply of goods and services available in the marketplace. E.3.1

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2. Explain what causes shortages and surpluses including government-imposed price floors, price ceilings, and other government regulations and the impact they have on prices and people's decisions to buy or sell. E.3.2
3. Evaluate the role of the government within the economy as to defining, establishing, and enforcing property rights. E.3.3

4. **The student will evaluate how changes in the level of competition in different markets affect prices.** E.4
    1. Explain how competition impacts the free market production and the allocation of goods and services to consumers. E.4.1
    2. Explain how people's own self-interest, incentives, and disincentives influence market decisions. E.4.2

5. **The student will describe the role of economic institutions including banks, credit unions, corporations, governments, and not-for-profits in a market economy.** E.5
    1. Evaluate the impact of government ensuring the protection of private property rights and the rule of law in a market economy. E.5.1
    2. Describe how banks allow people to pool their incomes and provide future income through investment in stocks. E.5.2
    3. Identify how credit unions, corporations, and not-for-profits influence a market economy. E.5.3
    4. Explain how successive deposits and loans made by commercial banks can cause the money supply to expand. E.5.4

6. **The student will analyze how money makes it easier to trade, borrow, save, invest, and compare the value of goods and services.** E.6
    1. Explain how individuals, businesses, and the overall economy benefit from the various uses of money, such as trading, borrowing, investing, and diversifying, versus saving money. E.6.1
    2. Identify the components of the money supply and the different functions of money; give examples of each. E.6.2
    3. Explain how the value of money is determined by the goods and services it can buy. E.6.3

7. **The student will evaluate how interest rates impact decisions in the market economy.** E.7
    1. Define interest rates and inflation; analyze the relationship between interest rates and inflation rates to both the borrower and the lender. E.7.1
    2. Determine how changes in real interest rates impact people's decisions to borrow money and purchase goods in a market economy. E.7.2

8. **The student will analyze the role of entrepreneurs and laborers within a market economy.** E.8

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1. Identify both an entrepreneur and a laborer and describe how their decisions affect job opportunities for others, such as profit-maximizing level of output, hiring the optimal number of workers, comparing marginal costs and benefits of producing more or less of a resource. E.8.1
2. Analyze the potential risks and potential gains of entrepreneurs opening new businesses or inventing a new product; determine the financial and nonfinancial incentives that motivate entrepreneurs. E.8.2
3. Evaluate the costs and benefits of incorporation including the expansion of resources and reduction of risks. E.8.3

9. **The student will evaluate the economic role of government in a free market and a mixed market economy.** E.9
    1. Explain the aspects of and differences between a free market and a mixed market economy. E.9.1
    2. Explain the purpose, costs, and benefits of government assistance programs and government funded services and projects. E.9.2
    3. Evaluate the impact of voters' decisions as they relate to governmental economic policy. E.9.3

10. **The student will examine current economic conditions in the United States.** E.10
    1. Determine how interest rates, unemployment, Consumer Price Index (CPI), individual savings and debt, government debt, government-enforced price ceilings, labor supply, and inflation impact current economic conditions in the United States. E.10.1
    2. Explain how these conditions have an impact on consumers, producers, and government policymakers. E.10.2
    3. Explain how changes in supply and demand cause prices to change and in turn, cause buyers and sellers to change, including changes in price of productive resources and technologies used to make the product, profit opportunities available to producers for selling other products, number of sellers in a market, consumer incomes, consumer options, and the number of consumers in a market. E.10.3

11. **The student will identify the basic measures of a nation's economic output and income.** E.11
    1. Explain GDP and GNP and how they are used to describe economic output over time; compare the GDP of various countries representing market, command, and mixed economic systems. E.11.1
    2. Describe the impact on the economy when GDP and GNP are growing or declining. E.11.2
    3. Evaluate the impact of self-interest, competition, collusion, technological advancement, standard of living, the business cycle and fluctuation to the GDP. E.11.3
    4. Examine the differences between the nominal and the real GDP. E.11.4

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12. **The student will explain the role of inflation and unemployment in an economic system.** E.12

    1. Define inflation and determine how it is measured, including the impact inflation has on different sectors of the United States economy. E.12.1
    2. Define the causes of unemployment, as well as the different types of unemployment; determine how unemployment is measured and the impact it has on different sectors of the United States economy. E.12.2

13. **The student will identify the potential economic impact of policy changes by the Federal Reserve and the federal government.** E.13

    1. Compare fiscal and monetary policy and the impact each has on the economy. E.13.1
    2. Explain the role of the Federal Reserve System within government economic policy. E.13.2
    3. Evaluate the conditions under which the federal government and the Federal Reserve implement expansionary or contractionary policies. E.13.3