Economics Pacing Guide
½ Carnegie Unit
2020-2021 MS College and Career Readiness Standard

1st Nine Weeks/3rd Nine Weeks		
Unit	**Standard/Objective**	**Major Topics/Concepts**
Economic	1.1	Identify that scarcity is the condition of not being able to have all of the goods and services that one wants. It exists because human wants for goods and services exceed the· quantity of goods and services that can be produced using all available resources.
	1.2	Explain that scarcity is a constant condition experienced by individuals, governments, and societies.
	1.3	Illustrate that making good choices should involve trading off the expected value of one opportunity against the expected value of its best alternative.
	1.4	Explain the choices people make have both present and future consequences and differ across individuals and societies.
	1.5	Identify choices made by individuals, firms, or government officials are constrained by the resources to which they have access.
	1.6	Discuss ways that decisions made by individuals, firms, or government officials often have long run unintended consequences that can partially or entirely offset or supplement the initial effects of the decision.
	1.7	Explain the concept of marginal benefit and marginal cost in relationship to choice.
	1.8	Evaluate the role that risk takes in decision making and that risk can be reduced by diversification.
	2.1	Explain that scarcity requires the use of some distribution method to allocate goods, services, and resources, whether the method is selected explicitly or not.
	2.2	Describe the differences between a market economy, in which allocations result from individuals' making decisions as buyers and sellers, and a command economy, in which resources are allocated according to central authority.
Economics	2.3	Identify the three major economic questions: What goods and services will be produced? How will these goods and services be produced? Who will consume them?
	2.4	Compare and contrast how various economics system vary in the extent to which they rely on

		government directives (central planning) and signals (prices) from private markets to allocate scarce goods, services, and productive resources.
	2.5	Compare the benefits and costs of different allocation methods in order to choose the method that is most appropriate for some specific problem can result in more effective allocations and a more effective overall allocation system.
	3.1	Describe how consumers, producers, workers, savers, investors, and citizens, people respond to incentives in order to allocate their scarce resources in ways that provide them the highest possible net benefits.
	3.2	Explain how Free trade increases worldwide material standards of living.
	3.3	Evaluate gains from free trade and recognize that they are not distributed equally, and some individuals or groups may lose more than they gain when trade barriers are reduced.
	3.4	Explain why even though there are mutual benefits from trade among people in different countries, many nations employ trade barriers to restrict free trade for national defense reasons, to protect key industries, or the agreed upon terms. When transaction costs decrease, trade increases.
	3.5	Explain why import restrictions by public policies result in consumers paying higher prices and job opportunities and profits in exporting firms may decrease.
	3.6	Explain that labor productivity is output per worker.
	3.7	Evaluate how growing international economic conditions and policies in one nation are increasingly affected by economic conditions and policies in other nations.
	3.8	Describe how individuals and nations have comparative advantage in the production of goods or services if they can produce a product at a lower opportunity cost than other individuals or nations.
	3.9	Demonstrate that international trade stems mainly from factors that confer comparative advantage, including international differences in the availability of productive resources and differences in relative prices.
	3.10	Explain that transaction costs are costs (not to be confused with the price of the good or service) that are associated with the purchase of a good or service, such as the cost of locating buyers or sellers, negotiating the terms of an exchange, and ensuring that the exchange occurs on the agreed upon terms. When transaction costs decrease, trade increases.
	3.11	Illustrate that an individual, region, or nation can produce at lowest opportunity cost depend on many factors {which may vary over time), including available resources, technology, and political and economic institutions.
	4.1	Demonstrate that market prices are determined through the buying and selling decisions made by buyers and sellers.
	4.2	Explain that the term 'relative price' refers to the price of one good or service compared to the prices of other goods and services. Relative prices are the basic measures of the relative scarcity of products when prices are set by market forces (supply and demand).
	4.3	Demonstrate that the market clearing or equilibrium price for a good or service is the price at which quantity supplied equals quantity demanded .

	4.4	Explain that if a price is above the market clearing price, it will eventually fall, causing sellers to produce less and buyers to purchase more; if it is below the market clearing price, it will eventually rise, causing sellers to produce more and buyers to purchase less.
	4.5	Explain that market outcomes depend on resources available to buyers and sellers, and on government policies.
	4.6	Demonstrate that a shortage occurs when buyers want to purchase more than producers want to sell at the prevailing price and that a surplus occurs when producers want to sell more than buyers want to purchase at the prevailing price.
	4.7	Explain that shortages of a product usually result in price increases in a market economy; surpluses usually result in price decreases.
	4.8	Relate the concept of market price to exchange rates which are set in the foreign exchange market. When the exchange rate between two currencies changes, the relative prices of the goods and services traded among countries using those currencies change; as a result, some groups gain and others lose .
Economics	4.9	Recognize that demand for a product changes when there is a change in consumers' incomes, preferences, the prices of related products, or in the number of consumers in a market.
	4.10	Recognize that the supply of a product changes when there are changes in either the prices of the productive resources used to make the product, the technology used to make the product, the profit opportunities available to producers from selling other products, or the number of sellers in a market.
	4.11	Illustrate that changes in supply or demand cause relative prices to change; in turn, buyers and sellers adjust their purchase and sales decisions.
	4.12	Illustrate how government-enforced price ceilings set below the market-clearing price and government-enforced price floors set above the market- clearing price distort price signals and incentives to producers and consumers. Price ceilings can cause persistent shortages, while price floors can cause persistent surpluses.
	5.1	Describe how pursuit of self-interest in competitive markets usually leads to choices and behavior that also promote the national level of well-being.
	5.2	Evaluating the level of competition in an industry is affected by the ease with which new producers can enter the industry, and by consumers' information about the availability, price and quantity of substitute goods and services.
	5.3	Evaluate how market structures which are dominated by large firms, often competing against only a few other firms cause prices to be higher than they would be in more competitive markets.
	5.4	Explain how collusion among buyers or sellers reduces the level of competition in a market and that collusion is more difficult in markets with large numbers of buyers and sellers.
	5.5	Identify the household as a major institution in which consumption and production take place. Recognize that Banks and other financial institutions channel funds from savers to borrowers and investors.

	5.6	Describe how Labor unions have influenced laws created in market economies and, through the process of collective bargaining with employers, labor unions represent some workers in negotiations involving wages, fringe benefits, and work rules.
	5.7	Identify the role that Not-for-profit organizations have and that they are established primarily for religious, health, educational, civic, or social purposes and are exempt from certain taxes.
	5.8	Evaluate the role that Property rights, contract enforcement, standards for weights and measures, incorporation and liability rules affect incentives for people to produce and exchange goods and services have in regulating price and market security.
Economics	5.9	Discuss how entrepreneurs organize resources to produce goods and services because they expect to earn profits.
	5.10	Demonstrate that Entrepreneurs (as well as other sellers) earn profits when the revenues they receive from selling the products they sell are greater than the costs of production.
	5.11	Demonstrate that Entrepreneurs (as well as other sellers) incur losses when the revenues they receive from selling the products they sell do not cover the costs of production.
	5.12	Compare and contrast positive and negative aspects of entrepreneurship.
	5.13	Evaluate how entrepreneurial decisions are influenced by tax, regulatory, education, and research support policies.
	5.14	Explain and define the different forms of getting income: labor, capital, natural resources, and entrepreneurial talents.
	5.15	Analyze how peoples' incomes, in part, reflect choices they have made about education, training, skill development, and careers.
	5.16	Demonstrate how changes in the structure of the economy, including technology, government policies, the extent of collective bargaining and discrimination, can influence personal income.
	5.17	Illustrate how in a labor market, in the absence of other changes, a higher wage increases the reward for work and reduces the willingness of employers to hire workers.
2nd Nine Weeks/4th Nine Weeks		
Economics	6.1	Describe the three functions of money: a store of value, a unit of account, and a medium of exchange.
	6.2	Explain how money encourages specialization by decreasing the costs of exchange.
	6.3	Identify Inflation and its impact on the value of money.
	6.4	Compare and contrast M-1 and M-2 money in the United States.
	6.5	Explain why deposits in checking accounts are considered money but assets such as stocks and

		bonds are not. Also explain why a credit card should not be considered money.
	6.6	People consume goods and services, not money; money is useful primarily because it can be used to buy goods and services.
	6.7	Producers use natural resources, human resources, and capital goods (not money) to make goods and services.
	6.8	Inflation is an increase in most prices; deflation is a decrease in most prices.
	6.9	Given a chart the student will determine in which years inflation occurred given the prices of a market basket of goods and services for three different years.
	6.10	The consumer price index (CPI) is the most commonly used measure of price-level changes. It can be used to compare the price level in one year with price levels in earlier or later periods.
	6.11	The annual inflation rate is the percentage change in the average prices of goods and services over a twelve month period.
	6.12	Explain how in the long-run, inflation results from increases in a nation's money supply that exceed increases in its output of goods and services.
	6.13	Define an interest rate as the price of money that is borrowed or saved which are determined by the forces of supply and demand.
	6.14	Distinguish between real and nominal interest rates.
	6.15	Evaluate the impact of higher real interest rates on business investment spending and consumer spending on housing, cars, and other major purchases.
	6.16	Describe how expectations of increased inflation may lead to higher interest rates.
	6.17	Examine the types of unemployment.
	6.18	Evaluate why unemployment statistics are an imperfect method of measuring unemployment.
	6.19	Compare and contrast how unexpected inflation imposes costs on many people and benefits others.
	6.20	Discuss how inflation and unemployment can reduce the rate of growth of national living standards.
	7.1	Describe the characteristics of economic growth in the long and short term. Trace and illustrate how economic growth has been a vehicle for alleviating poverty and raising standards of living.
	7.2	Explain the importance of investing in new physical or human capital on future productivity and consumption, but such investments require the sacrifice of current consumption and entail economic risks.
	7.3	Describe how lower interest rates encourage investment.
	7.4	How the rate of productivity increases in an economy is strongly affected by the incentives that reward successful innovation and investments (in research and development, and in physical and human capital).
	7.5	Define and explain GDP, its components, and how it can be calculated.
	7.6	Compare and contrast GDP and GDP per capita.
Economics	7.7	Compare and contrast real and nominal GDP.
	7.8	Evaluate the business cycle in terms of fluctuations in real GDP around its potential level.

	8.1	Describe the reasons for a market failure.
	8.2	Explain the role for government in the economy is to define, establish, and enforce property rights.
	8.3	Compare and contrast positive and negative externalities on the market.
	8.4	Identify methods the United States government can use to help correct for insufficient output of a positive and excess production of negative externalities: such as subsidies, laws, government ownership, income redistribution through tax laws, and price controls.
	8.5	Evaluate the pros and cons of market intervention by the government to correct market failures.
	9.1	Discuss how Fiscal policies are decisions to change spending and taxation levels by the federal government to influence national levels of output, employment, and prices.
	9.2	Describe the short term and long-term benefits and costs of Fiscal policy.
	9.3	Discuss how monetary policy by the Federal Reserve Bank influences the overall levels of employment, output, and prices.
	9.4	Distinguish between a budget deficit, a budget surplus and a balanced budget.
	9.5	Describe why a government debt is created.
	9.6	Evaluate how monetary policies lead to changes in the supply of money, short-term interest rates, and the availability of credit.
	9.7	Describe the Federal Reserve System's three major monetary policy tools.
	9.8	Distinguish between the federal funds rate, the discount rate and the prime rate.
	9.9	Describe the reasons the Federal Reserve would increase interest rate targets.