

**Economics**  
**Teacher's Guide**  
**Course No. 2102310**

**Bureau of Instructional Support and Community Services**  
**Division of Public Schools and Community Education**  
**Florida Department of Education**

**2000**

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# **Economics**

## **Teacher's Guide**

### **Course No. 2102310**

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**Exceptional Student Education**

<http://www.leon.k12.fl.us/public/pass/>

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This student book is dedicated to the memory of Joel Goldfarb, who helped to develop the previous *Parallel Alternative Strategies for Students (PASS)* revised volume of *Focus on Economics*.

## Foreword

*Parallel Alternative Strategies for Students (PASS)* books are content-centered packages of supplemental readings, activities, and methods that have been adapted for students who have disabilities and other students with diverse learning needs. *PASS* materials are used by regular education teachers and exceptional education teachers to help these students succeed in regular education content courses. They have also been used effectively in alternative settings such as juvenile justice educational programs and second chance schools, and in dropout prevention and other special programs that include students with diverse learning needs.

The content in *PASS* differs from standard textbooks and workbooks in several ways: simplified text; smaller units of study; reduced vocabulary level; increased frequency of drill and practice; concise directions; less cluttered format; and presentation of skills in small, sequential steps.

*PASS* materials are not intended to provide a comprehensive presentation of any course. They are designed to *supplement* state-adopted textbooks and other instructional materials. *PASS* may be used in a variety of ways to augment the curriculum for students with disabilities and other students with diverse learning needs who require additional support or accommodations in textbooks and curriculum. Some ways to incorporate this text into the existing program are as

- a resource to supplement the basic text
- a pre-teaching tool (advance organizer)
- a post-teaching tool (review)
- an alternative homework assignment
- an alternative to a book report
- extra credit work
- make-up work
- an outside assignment
- part of an individual contract
- self-help modules
- an independent activity for drill and practice
- general resource material for small or large groups
- an assessment of student learning

The initial work on *PASS* materials was done in Florida through Project IMPRESS, an Education of the Handicapped Act (EHA), Part B, project funded to Leon County Schools from 1981–1984. Four sets of modified

content materials called *Parallel Alternate Curriculum (PAC)* were disseminated as parts two through five of *A Resource Manual for the Development and Evaluation of Special Programs for Exceptional Students, Volume V-F: An Interactive Model Program for Exceptional Secondary Students*. Project IMPRESS patterned the PACs after curriculum materials developed at the Child Service Demonstration Center at Arizona State University in cooperation with Mesa, Arizona, Public Schools.

A series of 19 *PASS* volumes was developed by teams of regular and special educators from Florida school districts who volunteered to participate in the EHA, Part B, Special Project, Improvement of Secondary Curriculum for Exceptional Students (later called the Curriculum Improvement Project). This project was funded by the Florida Department of Education, Bureau of Education for Exceptional Students, to Leon County Schools during the 1984 through 1988 school years. Regular education subject area teachers and exceptional education teachers worked cooperatively to write, pilot, review, and validate the curriculum packages developed for the selected courses.

Beginning in 1989 the Curriculum Improvement Project contracted with Evaluation Systems Design, Inc., to design a revision process for the 19 *PASS* volumes. First, a statewide survey was disseminated to teachers and administrators in the 67 school districts to assess the use of and satisfaction with the *PASS* volumes. Teams of experts in instructional design and teachers in the content area and in exceptional education then carefully reviewed and revised each *PASS* volume according to the instructional design principles recommended in the recent research literature. Subsequent revisions have been made to bring the *PASS* materials into alignment with the Sunshine State Standards.

The *PASS* volumes provide some of the text accommodations necessary for students with diverse learning needs to have successful classroom experiences and to achieve mastery of the Sunshine State Standards. To increase student learning, these materials may be used in conjunction with additional resources that offer visual and auditory stimuli, including computer software, videotapes, audiotapes, and laser videodiscs.

## User's Guide

The *Economics PASS* and accompanying *Teacher's Guide* are supplementary resources for teachers who are teaching social studies to secondary students with disabilities and other students with diverse learning needs. The content of the *Economics PASS* book is based on the *Florida Curriculum Frameworks* and correlates to the Sunshine State Standards.

The Sunshine State Standards are made up of *strands*, *standards*, and *benchmarks*. A *strand* is the most general type of information and represents a category of knowledge. A *standard* is a description of general expectations regarding knowledge and skill development. A *benchmark* is the most specific level of information and is a statement of expectations about student knowledge and skills. Sunshine State Standards correlation information for *Economics*, course number 2102310, is given in a matrix in appendix D.

The *Economics PASS* is divided into six units of study that correspond to the social studies strands. The student book focuses on readings and activities that help students meet benchmark requirements as identified in the course description. It is suggested that expectations for student performance be shared with the students before instruction begins.

Each unit in the *Teacher's Guide* includes the following components:

- **Unit Focus:** Each unit begins with this general description of the unit's content and describes the unit's focus. This general description also appears in the student book. The Unit Focus may be used with various advance organizers (e.g, surveying routines, previewing routines, paraphrasing objectives, posing questions to answer, developing graphic organizers such as in appendix A, sequencing reviews) to encourage and support learner commitment.
- **Suggestions for Enrichment:** Each unit contains activities that may be used to encourage, to interest, and to motivate students by relating concepts to real-world experiences and prior knowledge.

- **Unit Assessments:** Each unit contains an assessment with which to measure student performance.
- **Keys:** Each unit contains an answer key for each practice in the student book and for the unit assessments in the *Teacher’s Guide*.

The appendices contain the following components:

- **Appendix A** describes instructional strategies adapted from the Florida Curriculum Frameworks for meeting the needs of students with disabilities and other students with diverse learning needs.
- **Appendix B** lists teaching suggestions for helping students achieve mastery of the Sunshine State Standards and Benchmarks.
- **Appendix C** contains suggestions for specific strategies to facilitate inclusion of students with disabilities and other students with diverse learning needs. These strategies may be tailored to meet the individual needs of students.
- **Appendix D** contains a chart that correlates relevant benchmarks from the Sunshine State Standards with the course requirements for *Economics*. These course requirements describe the knowledge and skills the students will have once the course has been successfully completed. The chart may be used in a plan book to record dates as the benchmarks are addressed.
- **Appendix E** lists reference materials and software used to produce *Economics*.

*Economics* is designed to correlate classroom practices with the Florida Curriculum Frameworks. No one text can adequately meet all the needs of all students—this *PASS* is no exception. *PASS* is designed for use with other instructional materials and strategies to aid comprehension, provide reinforcement, and assist students in attaining the subject area benchmarks and standards.



## Unit 1: Introduction to Economics

This unit emphasizes a basic understanding of *economics*, which will enable us to make informed decisions about our nation's economy and our own role as earners and consumers.

### Unit Focus

- the role economics plays in our everyday lives
- the difference between a *want* and a *need*
- how *scarcity* forces us to make choices
- four basic economic questions all societies must answer
- difference between *goods* and *services*
- difference between *consumer* and *capital goods*
- meaning of *opportunity cost*, *supply*, *demand*, *entrepreneur*, *real property*, *intangible property*, *personal property*, *economic rent*, *natural*, *human*, and *capital resources*

### Suggestions for Enrichment

1. Ask students to list and briefly describe three economic choices that they have made in the past few days and state the opportunity cost involved in each choice. Invite volunteers to share an item or two from their list with the class. Invite comparisons if appropriate.
2. Ask students to bring in pictures of consumers and workers from magazines or newspapers. Divide the class into small groups to make collages of their selections. Students may also draw illustrations of the vocabulary terms or create them from cut-out magazine pictures.
3. Divide the class into small groups of five or six. Provide magazines and catalogs. Ask students to select one item each that they would like to purchase and cut out the picture. From the selected items, the group must agree on *one* item for purchase. Each group must give



three reasons for their selection. The group should also list choices they had to give up in order to obtain their final selection. Discuss scarcity, choice, and opportunity cost.

4. Make four large cards with the terms of the factors of production—*land, labor, capital, and entrepreneurship*—printed one per card. Display these on the chalkboard or bulletin board next to a product. After discussing the four terms, remove one card and ask the class what the missing factor is, what the possible effects of the missing factor could be, and how the missing factor could be obtained. Continue removing a different card each time, identifying a different product, and asking the three questions.
5. Using the want ads in the classified section of the local newspaper, ask pairs of students to list jobs that produce a good(s) and jobs that provide a service(s). In addition, students could list the skills required for each job.
6. Bring a jar of peanut butter to class; read the ingredients on the label to the class; point out the label, jar, and lid. Ask students to brainstorm all the workers who play a role in the production and distribution of a jar of peanut butter. Write each occupation on an index card and attach the cards to a board. Ask students to arrange the cards in the sequence in which each worker is involved in the production and distribution process. If necessary, point out the myriad of jobs required before peanuts are grown (e.g., fertilizer, farm implements, and fuel producers and distributors). Have students design a flow chart with this information. Ask students the following: How do these layers of workers affect the cost of a product? What is the effect of a labor stoppage at any level of the process? How might the distribution process be made more efficient? What is the effect of having so many diverse occupations involved in a manufacturing and distribution process? How does this diversity of occupations affect the quality of a product? Have students develop a similar production and distribution flow chart for different products, such as a piece of notebook paper or a baseball.



7. Have students examine medieval and Renaissance art in an art book; a local museum; or a museum on the Internet at the Metropolitan Museum of Art (<http://www.metmuseum.org>), the Museum and Organizations (<http://www.siedu/organizational>), and/or the Worldwide Art Resources (<http://wwar.com/museums.html>); and analyze how this art illustrates economic influences in the daily lives and values of the people living in those time periods. (Please note that all listed Web-site addresses are subject to change.)
8. Invite people from various professions to speak about their work and responsibilities (e.g., advertising agency representative, agricultural extension agent, attorney, auditor, banker, Better Business Bureau spokesperson, building inspector, business and trade organization representative, career counselor, Chamber of Commerce representative, congressional representative, consumer fraud investigator, contractor, credit bureau representative, distributor, economist, employment agency representative, engineer, entrepreneur, environmental control officer, farmer, financial planner, funeral director, grocer, insurance agent, investment advisor, manufacturer, nutritionist, real estate agent, safety inspector, school business agent or treasurer, stockbroker, tax return preparer, transportation official, union official, union organizer, utilities spokesperson, Web-site designer, weights and standards auditor, welfare official).
9. Plan field trips to various sites to examine economic institutions that provide goods or services (e.g., auction, bank, Better Business Bureau office, career fair, federal courthouse, factory, farm, Federal Reserve district office, food distributor, food processing plant, grocery, newspaper office and printer, stock brokerage firm, television studio, utility plant, waste disposal plant).
10. Ask students to plan a 10-day trip anywhere in the United States, developing a low-budget plan and a first-class, luxury plan for the same destination. Using the Internet and other sources, have students develop a chart comparing alternate modes of travel, costs, and time required of each. Have students research and record the costs of transportation, lodgings, meals, and special events with a daily itinerary for the full 10 days. Ask students to present both trips to the class, and include maps, posters, travel brochures, and cost comparison charts.



11. Ask students to select a television commercial and transcribe it word for word. (Students may need to record the commercial in order to prepare the transcript.) Have students underline all factual statements and circle all opinions in the written transcript. Have students discuss and verify the facts and opinions with the class.
12. Have students brainstorm a list of commodities that confer status in their peer group. Discuss the list and ask the following: Which items were most frequently chosen? What high-status items were included? Which high-status items would have been rated lower a year ago? How can some purchases meet both basic survival needs and status needs as well (e.g., designer clothing)? Give examples of how advertisers play on our need for status in marketing their goods. How would you alter your spending habits if status and peer approval were not important to you? What businesses would collapse if status and peer approval were universally shunned? (Optional: Have students ask parents and list what commodities provide status in their peer group.)
13. Ask students to find several magazine advertisements appealing to their need for status approval and analyze the latest messages of these advertisements.
14. Have students describe a favorite commercial by answering the following: Who is in the commercial? If there is a main spokesperson, what image does that person project? What is the plot of the commercial? Is music an important or a prominent component of the commercial and what kind of music is it? How does it affect the tone or mood of the commercial? Does a narrator speak in the commercial and what does the narrator say? Do any words or product symbols appear on the screen in the commercial and what are they? What colors are prominent in the commercial, and how do they affect the tone of the commercial? What does the advertiser want the audience to do, feel, or think after seeing the commercial? What is the general tone of the commercial (funny, warm, romantic, threatening, thought-provoking)? What makes the commercial memorable to you? Write responses on the board as students share answers, noting frequently cited answers, main or recurring themes, and key ideas.



15. Discuss the role of advertising in America today, why certain advertising tactics are popular among audiences, and which tactics appeal to different audiences. Give groups of students different newspapers or magazines (e.g., publications covering a wide variety of topics and audience appeal, such as news and politics, sports, teens, fashions, hobbies, and entertainment) or give each student copies of the same advertisements to discuss. Ask each group to select three advertisements to analyze. Ask students to answer the following for each advertisement: What does the advertisement show (e.g., people, their actions, products, animals, scenery)? What does the advertisement want its audience to feel or do? What tactics are used to convince the audience to remember or feel a certain way (e.g., entertained, uplifted, excited, reassured, anxious, warm, friendly) toward the product? Is there writing in the advertisement and what does it say? What is the tone of the advertisement and why is it important to the message?

Discuss how advertisements differ depending on the type of media in which they appear (e.g., newspapers, magazines, television, movie theaters, billboards). Discuss how advertisements can mislead an audience, how misleading or inaccurate information can help sell a product, and how a person may feel about a product when he or she suspects or knows the advertisement is misleading.

16. Discuss how a country's political, economic, and social climates affect the advertisements that appear in its media. Have students choose a country to research and examine their advertising to compare and contrast it to that of America.
17. Have student research and examine popular magazines from the 1920s through the 1990s to analyze and report on advertisements in each magazine. Discuss the following: For each decade, how were women portrayed? Were they in work roles? What kind? What sex role stereotypes were reinforced in the advertising? Were any of the stereotypes challenged? How were cigarettes promoted? What proportion of smokers depicted in the ads were women? What age did the smokers appear to be? What appeals did the advertiser employ in their ads—status, security, sex appeal, patriotism, celebrity testimonials? How were minorities depicted in the advertisements? How many? In what roles? For what products?



18. Ask students to imagine that they each had just inherited a million dollars and to make a list of what he or she would do with the money. After a few minutes, solicit responses and write them on the board. Discuss the following: What values are represented by the chosen items? What psychological and social needs are being met? How would the money change your life? How would you spend your time? How do you account for the apparent unhappiness of some lottery winners? What does money really buy (e.g., time, status, power)? How is wealth portrayed on television? Why are television game shows that give away large sums of money so popular? How important is money in your definition of success?
19. Discuss scarcity and the difference between needs and wants. Divide the class into small groups and have students sit in a circle facing each other. Tell groups the following information: You and your classmates are in the middle of a large ocean on an island, three miles long and one mile wide, not found on any map. No plane or ship passes it. A warm current flows past the island; the highest elevation is a 30 foot hill at the north end; a cave is in the hill; a water-proof box is in the middle of a puddle in the cave; the box contains 500 pounds of a dry substance. There is a freshwater spring on the island; one-third of the island is covered with plants; the rest has no vegetation. The ship which brought you to the island is wrecked and sunk three miles away in deep water. No one knew where you were going, the last time you touched land was 1,000 miles away, and your radio went out 1,000 miles from your departure point. You have not been on anyone's radar for 800 miles, and you sent no message for help. However, none of you were hurt, and you are well as you are right now.

Tell the group that their decisions need to be recorded, and that one person needs to accept that responsibility. Let the group make their own decisions on who this will be in order to allow group leaders to emerge. After five to 10 minutes, ask the students the following: Is anyone else on the island? Do we need protection here? What do we have? What do we need? Who will be our leaders? What should we do to get started? What should we do in the first 24 hours? After about 20 minutes, ask the leader to describe what the group decided to do.

As the groups work, observe and keep notes on their developments as follows: Who began to assume dominance over discussions and



suggestions? Who made the most reasonable suggestions? What was the group's reactions to these? What was the first decision made by the entire group? How was it made (domination, apathy, vote)? Who became group recorder and how did the person get the responsibility? What was the first rule the group established? How did the group deal with the concept of scarcity? Then discuss with the class the observations you made during the groups' work. Next have students prepare a concept map (spider graph) with the idea of scarcity at the center.

20. Almost 70 percent of Earth is covered by water, yet only three percent is fresh and most of that is frozen in glaciers and ice caps, leaving available only 0.008 percent, most of which is stored below the surface in groundwater or in aquifers. Since demand for the world's water has grown faster than its population, discuss your area's freshwater supply, its source, how it is replenished, and if there are any local restrictions on watering lawns or washing cars. Have students speculate on physical and human characteristics of countries that lack adequate freshwater supplies and then research and locate such countries. Display a transparency of a world map and have students color in those countries. Assign one or more countries in each region for groups to research. Then have groups present data on water problems and recommend solutions.

Have group members assume the roles of an expert climatologist, a demographer, and an economist and research the following: name country, its location, its size (area), its climate, droughts, its population and population growth, demands on water supply, and whether the country is heavily industrialized. Ask groups to analyze the data and answer the following: What physical and human characteristics explain the country's lack of fresh water? What environmental factors contribute to its water problems? How does human/environmental interaction affect freshwater supplies? What are the groups' recommendations for water resource policies? Have groups present reports or hold a symposium with all groups participating. After their presentations, have students investigate and discuss possible solutions to the world's water worries (e.g., desalination treatments and reuse of wastewater, conservation, development of drought-resistant crops). Have students research why groundwater use threatens supplies in the United States, Australia's Great Artesian Basin, and the African Sahel.



21. Have students assume the roles of representatives from Israel, Jordan, and Syria to resolve potential conflicts over water rights. Supplement their research with the following facts: Israel and Jordan have suffered droughts in recent years; hundreds of thousands of Jews have emigrated to Israel from the former Soviet Union since the late 1980s; about 3,000,000 Palestinians fled to Jordan from the Gulf states in 1990 and 1991 as a result of the Persian Gulf War; Syria has built dams that divert water from Jordan and Israel; aquifers in south Jordan contain fossil (nonrenewable) water.

Ask students to research: the geography and climate of the region and how these affect its water source; why water supplies are limited, and why international cooperation is necessary; the ways in which water is used and why demand is increasing; the country's population; the population doubling time at the current rate; what percentage of the population is rural or urban; the gross domestic product; and annual withdrawal of water. Ask students to outline reasons why their country needs water and the basis for its water disputes to formulate a plan to resolve water problems in their region. Have students present ideas on how to resolve water conflicts along the Jordan River. Then have the class evaluate all proposals and decide which is best. (Optional: Have students use the same methods of investigation to explore water problems shared by Turkey, Syria, and Iraq.)

22. Since the oil embargo of the 1970s and the discovery of increasing greenhouse gases, nations have looked for ways to generate electricity without relying on petroleum. Have students act as United States developers of geothermal, solar, or wind electric power for the international market and select a country with geographic conditions that accommodate that source of energy. Ask students to write a persuasive proposal to convince that country's ministry of development to approve development of the alternate source of electricity, explaining why that country is well-suited for developing the source of energy, why that country needs more energy from a clean source, and how that country will benefit from this alternative energy project. Have students discuss how exporting energy technology affects the global economy, what government's role is in developing and protecting natural resources, and some of the disadvantages of alternative forms of energy.



23. Prepare a map of the Middle East. Use symbols to indicate which countries are rich as a result of oil and which have none. Have students research living conditions in both groups. Have them defend the position that the wealthy countries should (or should not) share with the poor.
24. Explain to students that with the present rate of deforestation, Earth may be devoid of rainforests in 50 years. Then ask students to note the following: one-fourth of our medicines come from rain forest plants; two-thirds of the world's plants and animal species live in tropical forests; at least two billion people use wood for cooking and heating; deforestation contributes to global warming and affects the world's water and oxygen cycles.

Assign students one of the following countries for a case study: Brazil, Costa Rica, Ethiopia, India, Indonesia, Nigeria, Sierra Leone, Thailand, or Uganda. Have students research the following: How much of that country's total land is forested? What is the extent of deforestation? What are the causes and result of deforestation in that country? Ask students to create a deforestation chart listing the causes and results of deforestation and then compare their country's case study with other students' case studies. Discuss how developed countries have used debt relief as an incentive for developing countries to protect their tropical forests. Have students examine the effect of reforestation efforts and whether there have been measurable effects (e.g., the environmental movement in northern India). Optional: Have students investigate deforestation in temperate regions (e.g., Europe and North America) and determine the effects of acid rain on temperate deciduous forests and temperate and subtropical evergreen forests (e.g., aquatic life in the Adirondacks).

25. Ask students to identify his or her occupational aspirations and to explain why they are considering these jobs or careers. Ask students to explain what, if any, post high school is necessary for these jobs or careers. Ask students to research and discuss the opportunity costs of such education and why a person would want an investment in human capital.
26. Have students draw a chart on a piece of paper with the heading of industrialization brings change. Ask students to list the following headings down the left side of the chart: changes in manufacturing,



changes in the labor force, changes in agriculture, changes in community. Next to each heading, have students write a description of each category.

27. Have students assume the role and philosophies of either an industrialist (capitalist) or a working-class person. Conduct a debate in class using the following topics: the role of the labor union, employment of children in factories, laissez-faire economic policies.
28. Ask students to work in small groups to make a collage that shows the development of or advances in railroads, automobiles, airplanes, communications, and electronics. For class discussion have students predict what the next 10 years hold for other technologies.
29. Ask students to pretend they are a teenager in Great Britain during the Industrial Revolution and write a letter to the editor of the newspaper that describes problems with life in the city in that era or one that describes working conditions in a factory.
30. Have students research the life of Karl Marx, his ideas, and the impact his revolutionary ideas had on the world. Ask students to present the research in various ways (e.g., oral presentation, drama, diary, collage).
31. Ask students to write a paragraph that identifies and describes how the Industrial Revolution has affected his or her life and include names of inventions that directly or indirectly benefited him or her.
32. Ask students to write a paragraph or short story about what life would have been like prior to the Industrial Revolution or what it would be like if there had not been an Industrial Revolution.
33. Have students examine the history of child labor, especially during the Industrial Revolution. Ask students to investigate modern exploitation of child labor.
34. Have students write a first-person story about life in a European country during the Industrial Revolution.



35. Have students draw or clip pictures to show the assembly line process. Ask students to explain the pictures and post them in the room.
36. Ask students to bring in products that demonstrate the concept of interchangeable parts.
37. Have students select an important inventor or business person and report on his or her life. Ask students to include visuals with their reports.
38. Have students “invent” a new product which would make labor easier and faster. Ask students to prepare an advertisement or commercial for their product.
39. Have students write a play that depicts the way a job was performed before and after a major invention. Videotape the play.
40. Have students research and create a timeline of both the English and the American Industrial Revolutions including important inventions, milestones, trends, and historic figures.
41. Discuss the technological revolution being experienced now in industrialized countries and compare it to the Industrial Revolution in England and the United States.
42. Have students research the Industrial Revolution and answer the following questions.
  - What were the causes of the Industrial Revolution?
  - What inventions made it possible?
  - How were the English and the American revolutions similar and how were they different?
  - What was the world like before and after the American Industrial Revolution?
  - What were the positive and negative effects of these changes?
  - Discuss what was revolutionary about the Industrial Revolution. Does the revolution continue?



43. Ask students to choose five of the top inventions from the English Industrial Revolution and five from the American Industrial Revolution. Have students explain what each invention was used for and why they chose to profile it. Ask students to include pictures, dates, descriptions of the invention, and information about the inventor.
44. Have students research the factory system of the Industrial Revolution and answer the following: What was the factory system? When and where did it arise? What inventions made it possible? How did it revolutionize society? What were its positive and negative aspects? Explain what “the division of labor” is and how it played a part in the factory system. Ask students to incorporate quotations about factory conditions from witnesses of the day in their research.
45. Have students research who objected to the changes brought about by the Industrial Revolution (e.g., the Luddites, Robert Owen, and writers such as Charles Dickens and William Blake) and explain why they objected, and what their proposed solutions, their methods, and their arguments were. Were the objectors’ points of view similar or different? Ask students to take a stand and state if they feel the objectors were justified in their opinions; whether artists should play a role in debating social issues; and if they agree or disagree with the objectors, explaining their reasoning.
46. Have students choose a country on the verge of becoming industrialized. Ask students to pretend to be an outside consultant hired by the government and create a proposal to present to the next meeting of Congress explaining their plan for industrialization. Have students explore the national resources, culture, economy, animal habitats, cities, and indigenous peoples of the country. Ask students to be as specific in their proposed plan as possible: Where will the factories be built? What indigenous peoples’ way of life should be protected and how? What industries could make use of the country’s natural resources? What sort of restrictions on pollution, deforestation, and environmental degradation should be proposed in the industrialization plan? What laws should be recommended to Congress to prevent abuse of workers and the environment? What natural wonders, wild areas, and species should be protected? What



sort of experts should be called upon to advise on the plan? Discuss these people (real or imaginary). List their accomplishments and expertise, and explain why their input is valued. Have students present proposals to the class.

47. Discuss how industrialized countries are experiencing yet another revolution. People are increasingly free to work outside cities and to telecommute to work. What inventions made this possible? What are the pros and cons of this revolution? Ask students to project themselves 50 years into the future and ask what they think the world will be like then.
48. Have one student stand up and start a debate or discussion on an economic topic. The student can outline an opinion or write it on the board. Then select the next person to speak or write until all students have had a chance.
49. Review proficiency before a test by giving and scoring a generalized pretest. Conference with students to get opinions on weakest areas. Divide students into groups according to areas of study.
50. Review concepts of the unit through a silent *Jeopardy* activity. Select 10 categories of topics, five for the first round and five for the second round. Have each student divide a piece of paper into two columns for the first and second round of *Jeopardy*. Assign point values of 1, 2, 3, 4, 5 for the first round and 2, 4, 6, 8, 10 for the second round. Randomly read questions from any topic and ask students to silently write the answers in the appropriate column. After a set time, do a final *Jeopardy* question and allow students to wager for 0-10 points. Check papers and tally the scores.
51. Have students select content-related activities and write about the processes used to complete each activity. Have students scan the Sunshine State Standards and identify all standards that apply to the student behaviors demonstrated in completing the selected activities. Ask students to then revise their written explanations to describe how each activity developed or reinforced each identified standard. Collect the students' work samples and the written reflections to form a student portfolio.
52. See Appendices A, B, and C for other instructional strategies, teaching suggestions, and accommodations/modifications.





## Unit Assessment

Match each definition with the correct term. Write the letter on the line provided.

- |       |  |                  |
|-------|--|------------------|
| _____ | 1. human effort that goes into the making of goods and providing services  | A. capital       |
| _____ | 2. goods and services that a consumer may desire or want to buy but that are not necessities   | B. demand        |
| _____ | 3. an individual who creates something new and earns a profit by combining land, labor, and capital resources to produce goods or services | C. durable goods |
| _____ | 4. the study of people trying to satisfy their wants in a world of scarcity  | D. economics     |
| _____ | 5. goods and services that are necessities, such as food, clothing, shelter, and medical care  | E. entrepreneur  |
| _____ | 6. goods used to produce other goods and services  | F. labor         |
| _____ | 7. the amount of goods or services that producers are willing and able to produce  | G. needs         |
| _____ | 8. activities performed for others for money such as teaching and selling  | H. services      |
| _____ | 9. the amount of goods or services that consumers are willing and able to buy  | I. supply        |
| _____ | 10. goods that are not used up and do not quickly wear out   | J. wants         |



Write an **N** if the item is a **need** and a **W** if the item is a **want**.

- \_\_\_\_\_ 11. medicine
- \_\_\_\_\_ 12. computer game
- \_\_\_\_\_ 13. pair of eyeglasses
- \_\_\_\_\_ 14. compact disc
- \_\_\_\_\_ 15. cheeseburger
- \_\_\_\_\_ 16. shoes
- \_\_\_\_\_ 17. haircut
- \_\_\_\_\_ 18. pencil
- \_\_\_\_\_ 19. potatoes
- \_\_\_\_\_ 20. your neighbor's house



Use the list below to complete the following statements.

<b>capital</b>	<b>goods</b>	<b>resources</b>
<b>consumer good</b>	<b>labor</b>	<b>scarcity</b>
<b>demand</b>	<b>natural</b>	<b>services</b>
<b>economic rent</b>	<b>needs</b>	<b>wants</b>
<b>entrepreneur</b>	<b>opportunity cost</b>	

21. Most parents try to satisfy their children's \_\_\_\_\_ , which include food, shelter, clothing, and medical attention.
22. Parents are less likely to satisfy their children's \_\_\_\_\_ , which often include many toys and games.
23. Before the \_\_\_\_\_ combined different resources to begin making a remote-controlled lawn mower, she did a survey of consumers to see if there was a \_\_\_\_\_ for her new product.
24. Abdul is a skillful engineer who designs drawbridges in Miami and Tampa. He is able to charge a high \_\_\_\_\_ for his \_\_\_\_\_ .
25. Every society has to choose how it will use its limited \_\_\_\_\_ ; this basic economic problem is known as \_\_\_\_\_ .



26. Consumers also must make choices and decide which goods and services they will give up so they can buy other goods and services. This trade-off is called \_\_\_\_\_ .
27. Most carpenters take care of the hammers, saws, tape measures, and other \_\_\_\_\_ resources they use for building and repair.
28. Rivers, wind power, and anything else that occurs naturally and is used to produce goods or services are called \_\_\_\_\_ resources.
29. A capital good increases in value over time or creates more wealth for its owner. A \_\_\_\_\_ satisfies personal needs and wants, and tends to lose value over time.
30. People who work in factories help to produce \_\_\_\_\_ —objects that can be bought or sold. People who sell, cut hair, or take care of lawns provide \_\_\_\_\_ to consumers.



## Keys

### Practice (p. 16)

1. the need to be independent of other countries; the need for more goods to be produced faster
2. Industry prospered and the United States grew stronger economically, politically, and socially.
3. less farmland, increased slave labor; nation grew in different directions

### Practice (pp. 17-18)

1. labor
2. wants
3. necessity
4. supply
5. capital
6. land
7. resources
8. entrepreneurship
9. needs
10. economics

### Practice (p. 19)

1. efficient
2. opportunity cost
3. demand
4. goods
5. trade-off
6. services
7. scarcity
8. consumer

### Practice (p. 20)

1. E
2. —
3. E
4. E
5. —
6. —
7. E
8. E
9. E
10. E

### Practice (p. 21)

1. how
2. what or for whom
3. what
4. what
5. how
6. how
7. how
8. how
9. what or for whom
10. for whom

### Practice (p. 22)

1. True
2. False
3. False
4. True
5. True
6. False
7. False
8. True
9. True

### Practice (p. 23)

Answers will vary.

### Practice (pp. 24-25)

1. late summer
2. there is very little food and no way to call for help
3. the boat begins to take on water, the motor quits running, and the boat sinks
4. a small boat
5. to fish and enjoy the sun
6. Answers will vary, but total size-weight unit (SWU) may not exceed 25.



## Keys

### Practice (p. 31)

1. N
2. N
3. N
4. N
5. N
6. W
7. N
8. N
9. W
10. N

### Practice (p. 32)

1. G
2. S
3. S
4. G
5. S
6. S
7. G
8. S
9. G
10. G

### Practice (p. 33)

1. consumer good
2. consumer good
3. capital good
4. consumer good
5. capital good
6. capital good
7. capital good
8. consumer good
9. capital good
10. consumer good

### Practice (p. 40)

1. entrepreneur
2. durable goods
3. financial capital
4. capital goods

5. economic rent
6. nondurable goods
7. consumer goods

### Practice (pp. 41-42)

1. Scarcity
2. unlimited; limited
3. Demand
4. Consumer goods
5. money
6. Land
7. real
8. want
9. economic rent
10. Trade-off
11. entrepreneurship
12. necessity
13. intangible
14. personal

### Practice (pp. 43-44)

1. the gap between limited resources and unlimited wants and needs
2. natural, human, and capital
3. consumer goods depreciate; capital goods appreciate
4. What to produce? How to produce? For whom to produce? Are we efficient?
5. A want is not necessary for your life; a need is essential and necessary.
6. It refers to type of property you can see, hear, or touch.

### Practice (pp. 46-47)

1. Like a country, a family has limited resources (usually in the form of money). A family must decide how it will use its resources. It must decide which needs or wants it will use its resources to buy. After a



## Keys

- family has used its resources to provide for its needs, the family must decide which of its wants to satisfy.
- Answers will vary but may include the following: So much of our lives is dependent on transportation that it can be considered a necessity, or need. People need transportation to get to work, and to buy many things they need including food, clothing, and shelter. So without transportation, we would find it difficult to satisfy many of our needs.
  - If we rented a hotel room overnight, we would be using it as a service. However, if we bought the hotel, we would be using it as a good—we could continue renting out its rooms to earn wealth.

### Practice (p. 48)

- K
- I
- C
- G
- J
- E
- A
- F
- B
- H
- D

### Practice (p. 49)

- D
- B
- C
- K
- J
- E
- H

- G
- A
- I
- F

### Unit Assessment (pp. 15-18TG)

- F
- J
- E
- D
- G
- A
- I
- H
- B
- C
- N
- W
- N
- W
- N
- N
- W
- W
- W
- N
- W
- needs
- wants
- entrepreneur; demand
- economic rent; labor
- resources; scarcity
- opportunity cost
- capital
- natural
- consumer good
- goods; services





## Unit 2: Economic Systems

This unit emphasizes the economic elements of *traditional*, *market*, and *command* economic systems and describes one measurement of a nation's economy, its *gross domestic product (GDP)*.

### Unit Focus

- characteristics of the three economic systems and their present uses by different nations
- meaning of *barter*, *capitalism*, *economist*, *economic elements*, *command elements*, *mixed economies*, and *GDP*

### Suggestions for Enrichment

1. Make a transparency master of a large square divided into 25 equal squares. Give each student a copy to serve as a blank game board. Put vocabulary terms on the chalkboard or transparency. Ask students to fill in the game board with one term per square in any order. Play a Bingo game, calling out the definitions or asking questions for which the terms are answers. Students put markers on the terms that are the correct answers. Answers can be verified and discussed after each definition or question. When a student gets five markers in a row, have the student shout "Payday!" or some economic reward term. Keep a record of the terms used and continue to play another round.
2. View the film *The Kingdom of Mocha*, and use a simulation activity as a follow-up. See also *Return to the Kingdom of Mocha*, if time permits.
3. Conduct a trading activity for students to learn about barter. Ask each one to bring in an item from home that they have no more use for and that costs less than one dollar. Set a time limit of three minutes or so and ask them to trade their item for another. They can trade as many times as they like within the set time limit. After the activity, discuss why one item was valued more than another, if they are satisfied with their trade, the negotiation skills used in the



process, etc. See which economic terms, such as *opportunity cost*, can be used. Ask them to interpret the saying “One man’s junk is another man’s treasure.”

4. Ask students to work together in small groups to choose three countries from each continent on which they would like to do some research. Have them describe the economic elements in the economic system of each country, and report their findings to the class.
5. Ask students to brainstorm the benefits of competition. Then discuss the following: What are the economic benefits of competition in a capitalist society? What is the definition of capitalism and how does it compare to the answers of the responses about the economic benefits of competition? Why do capitalist economics require competition? Is capitalism a good or bad economic system and why?
6. Have students find examples from the newspaper of the six characteristics of the market economy as it exists in the United States today. Next have students research how the United States Constitution supports these characteristics. Finally, have students compare the economic provisions of the United States Constitution with the economic system of China to understand the difference between a command and a market system.
7. Have students prepare a chart in which they compare and contrast socialism, communism, fascism, and democracy, based on four basic questions: Who owns factories and farms? Who decides what goods will be produced? How are goods distributed? How much freedom of choice is there?
8. Since the collapse of communism, eastern European countries have had to build new governments and new economic systems, going from command economies to a free-enterprise system. Assign students one of the following countries: Bulgaria, Hungary, Poland, or Romania. Have students research and create an economic overview chart with the following information about that country:



major trade partners; exports; imports; industries; agriculture; natural resources; gross domestic product (GDP); GDP per capita; and percentage of GDP from agriculture, from industry, and from services. (Students may substitute appropriate factors for any that are not available and add others to help gauge a nation's economic prosperity.) Draw a long horizontal line on the board and label one end "weak economy" and the other end "strong economy." Have students determine where their country fits on the spectrum and why.

9. Have students research economic systems (both past and present) of a foreign country and answer the following: How is the country structured economically? What currency is used? What occupations existed (or exist)? How has the economy changed over time?
10. Have students choose a major fast-food company and study the feasibility of selling its product in a specific Latin American country. Ask students to research and then make an oral presentation of their recommendation whether the fast-food company should enter that Latin American country's market.
11. Have students research and gather information on Japanese society, etiquette, and business practices to better understand trade between the United States and Japan. Have students research a variety of factors that influence this trade and identify products and services in their own states that would be suitable for export to Japan.
12. Discuss historical events that are shaping Russia's current economic picture (e.g., the collapse of the communist-based Soviet republic, the rapid conversion to a capitalistic free-market-based economy). Have students speculate about the future of the Russian economy.
13. Assign groups a local business (e.g., a car dealership, a music store, a real estate company, a bank, an employment agency, a manufacturer of consumer goods such as clothing, furniture, appliances, or electronics). Have groups analyze the consequences of unemployment, reduced income, and devalued currency on that



business with respect to business owners, employees, suppliers, and other local businesses. Have students identify specific consequences for individuals and the local company, and also the social consequences of a poor economic climate (e.g., increased social problems, need for social services, effects of family stress). Have groups present the analyses and relate the conclusions to their situation in Russia.

14. Discuss how devaluation of currency affects upper, middle, and lower class citizens differently and how the Great Depression in the United States in the late 1920s might compare with this period now in Russian history.
15. Ask students to calculate how much their family's monthly expenses (rent, utilities, food, entertainment) or items students routinely purchase (a pair of jeans, lunch at fast-food restaurants, a CD, a movie ticket) would cost in Russia today and one year ago by converting the dollar to rubles. The conversion could be based on these values: on September 8, 1998, the value of the ruble was 22.05 to one United States dollar; on September 8, 1997, the value of the ruble was 5842 to one United States dollar.
16. Have students locate statistics about current prices of goods, services, and salaries of different occupations in Russia.
17. Have students search the Internet for daily fluctuations in the dollar and the Russian ruble and other foreign currencies over the past year and create a graph of their findings. Discuss what the value of a country's currency in relation to other currencies reveal about the country's economy.
18. Discuss how the Russian economy is being aided by world banks, emphasizing both the benefits and the drawbacks of this aid. Have students research changes in economics in other countries and how they are handling economic strife.
19. Have students research and compare current economic statistics for eastern European nations with those for countries of the former Soviet Union to formulate generalizations on which nation's economy is healthiest and why.



20. Ask students to research and discuss why the economic well-being of eastern Europe matters to the United States and how the economic policies of the old Communist governments affected the environment of eastern Europe.
21. Ask students to assume the role of a young person in an eastern European nation and create a diary relating how changes in the country's economic system have affected him or her personally.
22. Assign students one of the 11 European nations that switched to the euro on January 1, 1999 (e.g., Ireland, Finland, Netherlands, Germany, Austria, Luxembourg, Belgium, France, Italy, Spain, Portugal). Have students write a brief profile of the economy of the country and include the type of economic system, what the name of the currency was preceding the euro, the exchange rate in American dollars prior and after switching to the euro, the major imports and exports, and any negative or positive outcomes from the currency change.

Have students research and discuss whether the change to the euro was a reform for the European economy and research ways in which the 11 European countries that switched to the euro (see list in above suggestion) are economically compatible and may be politically, socially, ethnically, linguistically, and religiously compatible.

23. Have students use the Internet to research what is happening to the population growth rate (PGR) worldwide by reading charts, graphs, maps, and reports. Discuss a course of action for the PGR worldwide.
24. Have students use the Internet to research a country's gross national product (GNP) and read charts and graphs to find out how to determine the wealth of a country and to determine where the rich and poor countries of the world are located.
25. About 600 million people worldwide suffer from malnutrition because some countries cannot feed their populations adequately. Assign students one of the following countries: Argentina, Australia, Canada, Chad, Chile, China, India, Mexico, New Zealand,



or Thailand. Have students research the following to determine whether a country can feed itself: percent of gross domestic product (GDP) from agriculture, food products imported and exported, food supply per capita and dietary protein supply, and population growth rate. Have the class create a food profile chart for each country and then make a list of which countries can or cannot feed themselves. For the countries that cannot feed themselves, discuss strategies, based on that country's characteristics, that may be appropriate for increasing that country's food supply (e.g., develop new farmland, increase use of irrigation, develop high-yield varieties of crops such as rice and wheat, develop new sources of food such as soybeans). Have students predict, state reasons, and then verify which of the following countries can feed themselves: Russia, France, Brazil, Israel, and Saudi Arabia. Discuss how grain surpluses influence global trade and if the "green revolution" of the 1960s and 1970s was successful and why.

26. Have students research economists since Adam Smith (e.g., John Maynard Keynes, Karl Marx, Milton Friedman) who have contributed lasting achievements in their field and those who may have been of only passing importance or a novelty of their times (<http://home.pacbell.net/camoore1/economist.html>).
27. Have students use the Internet to research analysis of current classroom economic topics in the news by leading economists.
28. Have students create a business magazine with a managing editor, reporters, art editor, and biography editor. Ask students to review other examples of newspapers and magazines (e.g., *Business Week*, *Time*, *Newsweek*, *Fortune*, *Forbes*, *Changing Times*, *Wall Street Journal*, *U.S. News and World Reports*). Some suggested topics for the magazine are as follows: the year's economic conditions; the economics of health care and the response of the current President; changes in price levels of consumer goods, inflation, and forecast of the economy with current President; interview with a local business person, union official, or any person with insight into how the current economy affects his or her work; examination of entrepreneurship and how businesses operate in today's competitive market; editorials; investment column with investment tips; review of a movie with an economic theme; social costs of unemployment; economic costs of crime.



29. Set up an inner circle and an outer circle of chairs. Have student in the inner circle debate an issue for 10 minutes. Then have students in the outer circle respond to what they have heard.
30. Have students research a historical figure with a partner and formulate economic questions and answers to present an interview of that historical person to the class, along with a timeline of the person's life.
31. Have students examine universal issues (e.g., transportation) and how such issues are handled in various countries. For example, for the universal issue of transportation: will the same vehicle be most effective in each country? (Compare Anchorage, Alaska; Bangkok, Thailand; and Paris, France.)
32. Have students choose a country and find pictures which depict that country's culture and values in economic, political, social, religious, and aesthetic areas. Next have students do the same for his or her culture or values. Then compare and contrast each area.
33. Have students create a shoe-box float or a quilt of construction-paper collage squares that depict a specific country's exports.
34. See Appendices A, B, and C for other instructional strategies, teaching suggestions, and accommodations/modifications.





## Unit Assessment

Match each definition with the correct term. Write the letter on the line provided.

- |          |  |                                 |
|----------|--|---------------------------------|
| _____ 1. | an economic system in which the government decides <i>what</i> goods or services to produce, <i>how</i> to produce them, and for <i>whom</i> to produce them | A. barter                       |
| _____ 2. | the total value of goods and services produced in one year within the borders of a nation by whoever produces them   | B. command economic system      |
| _____ 3. | an economic system based upon private property and free enterprise   | C. capitalism                   |
| _____ 4. | an economic system in which goods and services are exchanged   | D. gross domestic product (GDP) |
| _____ 5. | an economic system in which the types and costs of goods and services are determined by consumers and producers  | E. market economic system       |
| _____ 6. | a system of exchange in which one type of good or service is traded for another type of good or service without the use of money                             | F. traditional economic system  |



*Circle the letter of the correct answer.*

7. A \_\_\_\_\_ economic system uses only barter.
  - a. command
  - b. traditional
  - c. market
  
8. Democracies have a \_\_\_\_\_ .
  - a. command economic system
  - b. traditional economic system
  - c. market economic system
  
9. Countries in which the government controls all or most economic decisions have a \_\_\_\_\_ .
  - a. command economic system
  - b. traditional economic system
  - c. market economic system
  
10. An economic system describes how \_\_\_\_\_ .
  - a. people produce goods and services
  - b. governments attempt to satisfy their people's wants and needs
  - c. goods and services are transported
  
11. A pure market system \_\_\_\_\_ .
  - a. has no government rules
  - b. does not exist
  - c. both a and b
  
12. The gross national product measures the \_\_\_\_\_ .
  - a. total amount of taxes paid in one year
  - b. total amount of goods and services consumers buy in one year
  - c. total amount of all goods and services produced in one year



Use the list below to complete the following statements.

<b>command economic elements economist</b>	<b>four market mixed economies</b>	<b>money pure market traditional</b>
--	--	--

13. Most countries today use \_\_\_\_\_ as a medium of exchange to buy and sell goods.
14. The former Soviet Union has gone from a \_\_\_\_\_ economic system to a \_\_\_\_\_ economic system.
15. Tribes had a \_\_\_\_\_ economic system.
16. There are \_\_\_\_\_ main economic systems.
17. A(n) \_\_\_\_\_ is someone who studies economics.
18. Most countries use different \_\_\_\_\_ to develop their own unique economies.
19. Nearly all countries now have \_\_\_\_\_ that use basic elements and combine them in different ways.
20. Not even the United States, a country which encourages free enterprise and entrepreneurship, has a \_\_\_\_\_ system.



Write **True** if the statement is correct. Write **False** if the statement is not correct.

- \_\_\_\_\_ 21. A *market economic system* uses money as the medium of exchange.
- \_\_\_\_\_ 22. Many *pure command economies* and *pure market economies* are still operating in the world.
- \_\_\_\_\_ 23. In *command economic systems*, the government restricts its citizens from starting their own businesses or investing their incomes.
- \_\_\_\_\_ 24. Under *capitalism*, people are free to buy and sell goods of their choice.
- \_\_\_\_\_ 25. Most large countries using the *command economic systems* are converting to *market economic systems*.



## Keys

### Practice (pp. 62-63)

1. command
2. market
3. market
4. traditional
5. command
6. market

### Practice (p. 64)

1. B
2. C
3. C
4. M
5. C
6. C
7. B
8. M
9. M
10. C
11. M
12. M
13. B

### Practice (p. 65)

Answers will vary.

### Practice (p. 69)

1. True
2. True
3. True
4. True
5. False
6. False
7. False
8. False
9. True
10. False

### Practice (p. 70)

1. the people's right to buy and sell most types of goods and services
2. capitalism

3. make rules on pay and working conditions, and on product safety
4. to meet their own specific needs
5. money

### Practice (pp. 72-74)

Answers will vary but may include the following:

1. Bartering would more often be seen between elementary-school-age children. They don't tend to have much money and so may trade objects with other children. They probably trade toys, sports equipment, candy, and even labor for building tree houses.
2. You would have to have something, a service or some object, that you would be willing to give up for having your yard mowed, and the lawn care service would have to be willing to accept your service or object as payment for its service. In a market economic system you could pay an agreed-upon amount of money.
3. If a child had some of her needs—food, clothing, shelter, and medical attention—met, or if a child had some of her wants—toys, CDs, or other objects—satisfied, this exchange would resemble bartering. If a child received money or an allowance for his chores, this exchange would resemble a market economic system.

### Practice (p. 75)

1. A
2. F
3. D
4. B
5. C
6. E



## Keys

### Practice (p. 76)

1. D
2. A
3. C
4. B
5. F
6. E

### Unit Assessment (pp. 31-34TG)

1. B
2. D
3. C
4. F
5. E
6. A
7. b
8. c
9. a
10. b
11. c
12. c
13. money
14. command; market
15. traditional
16. four
17. economist
18. economic elements
19. mixed economies
20. pure market
21. True
22. False
23. True
24. True
25. True



## Unit 3: Supply and Demand

This unit discusses the two different kinds of *markets* that exist on the national level, the *law of supply and demand*, and the government use of *tax revenue*.

### Unit Focus

- difference between the factor market and the product market
- major parts of the circular flow model
- how entrepreneurs use specialization of labor to produce goods
- why profits are necessary to business
- goods as either *private* or *public*
- concept of *elastic* and *inelastic* demand
- law of supply and demand
- ways local, state, and federal governments use tax revenue
- profit described as *gross profit* and *net profit*
- meaning of *fair market price* or *competitive market price*

### Suggestions for Enrichment

1. Have students cut out pictures of private and public goods and make a collage. Items such as hospitals, road interchanges, construction projects, and recreational areas can be either public or private. Discuss the differences and justify which is which. Small groups of students could make larger collages, rather than doing individual ones.



2. Recovering from a disaster (such as Hurricane Andrew that hit Miami in 1992) creates many economic problems. Small discussion groups could outline and prioritize selected construction projects. Given a budget of a set amount of dollars for designated needs, determine what will be built first, second, etc. *The Miami Herald* published a book called *Hurricane Andrew*, which is available for more specific information, if desired.
3. Give the students a certain amount of play money and a list of three clothing stores, three food stores, and three automobile dealers. Using their budget, the students should choose items from each group. Decisions should be based on value, brand products, and price. Students will substitute one product for another for various reasons. Apply as many economic terms as possible: entrepreneur, profit, and supply and demand. Discuss ways in which elastic and inelastic demand apply.
4. Divide the class into groups of threes, and give each group a copy of a yellow page from the telephone book. Students should locate at least five businesses that provide different services. Discuss why someone would start a business to provide a service? How would one decide what services were needed in her community?
5. Have students brainstorm occupations and people in the community whom they can interview about the methods of production or providing services in the business in which they work. Have groups select one of the businesses on the list as the focus of interviews regarding steps in production or providing a service, people and places involved, skills needed, and use of technology. Within each group, ask each student to interview a different person working in this business (e.g., hospital industry: hospital administrator, doctor, worker in patient admissions, worker in hospital supplies). Have the class develop a list of interview questions about the aspects of business and production as follows: What is the hierarchy of workers in this business and how do these people interact? Where does the interviewee stand in this hierarchy and with whom does he or she specifically interact? What equipment and supplies are necessary for the interviewees' job? In what different locations does the interviewee work and what does he or she do in these different locations? What technology does the interviewee use and how does it help productivity? What



prerequisites of skill, training, and education are needed to do this job properly and efficiently? Have students present the information gathered in the interview with a focus on how various people and technologies work at different levels to ensure that goals and services are successfully supplied to the public.

6. Invite a representative from a local distributor to class to discuss the distribution network for a product.
7. Ask students to bring in name-brand food items and their generic equivalent (e.g., corn chips, crackers, chocolate chips, peanut butter, tomato juice, vanilla wafers, jelly). Arrange the pairs of foods at several taste-tasting stations. Randomly label food in containers as A or B. Using the survey below, ask students to taste and rate each item on a scale of one (least desirable) to 10 (most desirable) and then circle the letter of the product believed to be the generic item.

**Consumer Survey**  
Generic Product Comparison

Rate each item on a scale of 1 (least desirable) to 10 (most desirable). Then circle the letter of the product believed to be the generic product.

Item	Rating (1-10)		Comments
	A	B	
1.			
2.			
3.			
4.			
5.			



(Optional: The same procedure and survey can be used for other name-brand and generic products (e.g., dish washing detergents).

Calculate and post the product ratings. Give students the price and size of each product to calculate the price per unit for each product and post the amounts next to the student ratings. Ask students the following: Which items were harder to differentiate between generic and name-brand products? Are there genuine differences between a name-brand product and its generic product equivalent? Which items represent the best value? Which generic products were judged clearly inferior to the name brand? Why do most people not buy generic products? What role does advertising play?

8. Have students visit supermarkets and list all the generic products they find.
9. Invite a pharmacist to class to discuss generic medications.
10. Have students choose an everyday grocery item (e.g., toilet paper, bleach, toothpaste, paper napkins, dish detergent, catsup, cornflakes, ice cream, popcorn, flour, sugar). Ask students to visit a supermarket and make a list using the chart below to record a list of the prices and sizes of all brands of that product. In groups, have each student choose a product available in two or more brands and have the group compute the per unit price for each product brand. Have each group ask the class to guess the price of their items and then present their item prices and calculated per unit prices. (Optional: Have students calculate the per unit prices for the rest of the sizes on their lists.)

### Comparison Shopping Chart

Type of Product \_\_\_\_\_

Store \_\_\_\_\_

List all the sizes available for each brand of the product. Specify the exact unit of measure (ounces, pounds, number of sheets). List the price of each item. Per unit prices will be calculated in class.



### Comparison Shopping Chart

Brand	Size	Price	Per Unit Price

11. Have students use the Internet to research and compare prices of a range of common products.
12. Ask students to interview parents, grandparents, and other adults about the value of the dollar when they were teenagers.
13. Set up the following situation to give students hands-on experience with the concept of supply and demand. Provide two tokens of different colors and three index cards. Ask students to select any number of tokens (one to a handful). After students have selected tokens, place a value on the tokens. Put out only one of an item that students need to have in order to receive an “A” on this lesson. Open bidding for the item at 10 and allow students to bid their tokens. Continue until a student has paid a high price and received the item. Then pull out a large supply of the very same item just sold and announce that you just happened to have a few more of these items and are willing to open the bidding at one. Wait and watch the reaction—then write *supply* and *demand* on the board. Ask the student who bought the overpriced item to define what these terms mean in light of the experience and to explain the motivation behind paying such a high price for it. Would he or she have paid so much if it had been known that there were many such items to go around?



Discuss how supply and demand affects choices such as what types of cars and trucks are made. Elicit recent examples of instances where demand exceeded supply and what the results of this were, and explain how economic stability or affluence affects supply and demand. Ask students the following: What if the tokens represented money and this was all the money they had for two months?

Next ask students to think of three items in their backpacks and to secretly set a price for each one on an index card folded so it can stand upright. Have students place the items by the corresponding price on the index card. Then ask students to go around the room and note all the prices on the cards. Ask students the following: Now that you know how other merchants priced their items, how will it affect your pricing of the same items? Were some items in high demand because of their low supply? How might that affect pricing? Give students another opportunity to price their three items and discuss their changes and why they made them.

14. Have students create a model of a business cycle and draw the interrelationships between supply, demand, production, and distribution.
15. Group the class into producers, middlemen, retailers, and consumers. Focus on one product and follow the transactions involved with this product from producers to consumers. Pose a situation of low production and high demand and then reverse the situation. Ask students to come up with prices, keeping in mind the effect of prices on supply and demand
16. Have students apply the processes involved in manufacturing a product (such as construction-paper models of hot air balloons) using the cottage industry system and compare them with those of the division-of-labor factory system. Collect necessary materials (e.g., construction paper, glue, staples, tape, colored yarn, scissors, pencils, glitter, stickers, markers, crayons), determine basic pattern and necessary steps (e.g., steps—draw balloons and cut them out; design, cut out, and glue decorations on balloons; cut out balloon basket and proper length strings; attach strings and basket to balloon), and then divide class into two groups of workers to design, cut out, and assemble the product. Select five students to



work individually according to the cottage system and then form groups of five students each to work according to the division of labor system. Have the division of labor assembly lines compete with each other and the sole-worker cottage system to see who can complete the greatest number of finished products in the established time limit of 10 to 15 minutes. (Begin timing students after materials are gathered and everyone is ready to begin at the same time.)

When time is up, count the number of hot air balloons completed by each group. Divide the number of balloons by the number of workers in that group to get a number-per-worker count to compare to the number of balloons completed by each solitary worker. Ask students the following: Who made the most balloons? What made one group more efficient than other groups? Which group made the most attractive balloons? Which group made the highest quality balloons? What were the advantages and disadvantages of working by oneself? What were the advantages and disadvantages of working in groups? Who set the pace in the group? Did the groups name a leader or did one worker naturally assume the role? Did solitary workers feel rushed when they saw groups making more balloons? What did individuals do to compete? What can be concluded about the effectiveness of the cottage system and the division-of-labor system? What are some contemporary examples of both systems? How can job satisfaction affect the quality of a product in an assembly line situation? What are some solutions for maintaining or improving the quality of the worker's life and the product (for example, the auto worker who assembles one engine component all day long)?

17. Have students decide upon and plan a profitable business that will also help the economy of the community. Have students research and present the following: what enterprise the community needs, what its effects will be, what permits will be required, the amount of capital needed, specific location number of employees, future development, and what the opposition of city council and the community may be to the enterprise.
18. Set up a competitive marketplace in the classroom. Design mock



money for payment for attendance and performance (e.g., on time = \$5; tardy = \$2; completed homework = \$5; quiz grades = A-\$20, B-\$10, C-\$5, D-\$10; special projects = \$5 to \$75 to be negotiated). Each week decide what goods or services may be purchased (hold an auction each week and have students bid for their favorite seat in class; allow students who forget their books, paper, or pencils to rent these items from the teacher or other students; have students bid on special privileges or products donated by merchants, such as fast-food coupons, posters, sport passes, movie tickets, or product samples).

19. Using the terms *fixed* and *variable cost*, ask students to discuss why many gas stations have also become convenience stores. Discuss under what conditions might selling more products *not* increase profits.
20. Have students list the different types of technology that might be found in a fast-food restaurant. Have students brainstorm different businesses in the community, choose one, and list the kinds of technology that might be used in that business.
21. Have students brainstorm ways in which computers affect our everyday lives (at home, work, school, and in the areas of entertainment, health, or transportation). Have students brainstorm all they know about how computers are used in automobiles. Then have them answer the following: How does the use of computer technology enhance the value or improve the performance of a car? Have students discuss new ways computer technology might be used to improve the performance or value of other commonplace products or services. Have students research automobile companies and compare those that use very advanced technology to less advanced companies. Plot the share fluctuations of their stocks on a graph. Ask students to develop a persuasive radio advertisement or print advertisement to encourage consumers to purchase a product or service that uses an innovative application of computer technology that they have devised.
22. Have students research and evaluate Prohibition-era policies and goals supported by Mothers Against Drunk Driving (MADD) on consumer behavior.



23. Have groups discuss a topic from the unit. Ask each group to choose a recorder to write down ideas and a second person to summarize the discussion to the class.
24. Have students choose a person in history (e.g., Gandhi, Hirohito, Mao, Churchill, Mandela, Lincoln) and report on the dates that person lived, where he or she lived, and his or her economic accomplishments in relation to his or her country. After all students have reported, have them discuss some similarities and differences of the accomplishments and if these accomplishments had anything to do with that person's culture. Explain why or why not.
25. Ask students to name common symbols, such as flag or dollar sign. Direct students to [www.cagle.com](http://www.cagle.com) on the Internet and select the editorial cartoons page. Ask what symbols students see in an editorial cartoon, why they think the symbols were chosen, and what the symbols represent. Have students list all the symbols they find in the editorial cartoons. Have students research the origins of iconic symbols such as Uncle Sam, the Republican elephant, the Democratic donkey, or the hammer and sickle.
26. Have students look at today's editorial pages and analyze political cartoons by discussing the following: What issues do the political cartoons focus on? What symbols do the cartoonists use? What techniques, such as caricature or stereotyping, can be identified? Are there other articles in today's paper related to the political cartoons? What other topics on today's news could be depicted in political cartoons?
27. Ask students their opinion about a current news story. Direct students to [www.cagle.com](http://www.cagle.com) on the Internet and select the editorial cartoons page. Have students look at the same cartoon. Discuss the events portrayed and opinion expressed. Ask students to find a cartoon portraying a point of view different from their own. Have students create a cartoon in response to the one they have chosen.



28. Have students use the form below to analyze editorial cartoons.

#### Editorial Cartoon Analysis

1. List the media source and date of publication.	
2. What event or issue inspired the cartoon?	
3. Are there any real people depicted in the cartoon?	
4. Are there symbols? What are they and what do they represent?	
5. What is the cartoonist's opinion of the event or issue?	
6. Do you agree or disagree with the cartoonist's opinion? Why? Explain.	

29. Have students create a cartoon on a current economic topic.

30. Discuss the power of the press with students. Discuss our expectations of journalistic objectivity and hypothetical threats to it (in our society or others), such as the editorial powers of a newspaper's owners, the clout of an advertiser who threatens to withdraw patronage, government censorship, and the need to maintain a high rate of readership.

31. See Appendices A, B, and C for other instructional strategies, teaching suggestions, and accommodations/modifications.



## Unit Assessment

Circle the letter of the correct answer.

1. A market is a place where people \_\_\_\_\_ .
  - a. manufacture high-tech equipment
  - b. buy and sell goods
  - c. observe a manufacturing process
  - d. grow produce
  
2. The two different kinds of markets that exist on the national level are the \_\_\_\_\_ .
  - a. fruit market and produce market
  - b. farmers' market and manufacturers' market
  - c. factor market and product market
  - d. vertical market and horizontal market
  
3. The basic principle that *drives* our economy is the \_\_\_\_\_ .
  - a. law of supply and demand
  - b. law of want and need
  - c. golden rule
  - d. law of elastic and demand
  
4. The price at which the consumer is willing to buy and the producer is willing to sell is called the \_\_\_\_\_ .
  - a. inelastic demand
  - b. traditional economic price
  - c. fair market price
  - d. factor market
  
5. \_\_\_\_\_ is the difference between money received and money spent.
  - a. Market clearing price
  - b. Loss
  - c. Inelastic demand
  - d. Profit



6. *Private goods* are those things that people own for themselves, whereas \_\_\_\_\_ *goods* are available for everyone's use.
- taxable
  - public
  - inexpensive
  - risk
7. If demand for a good is \_\_\_\_\_, sales of the good will increase as its price decreases.
- elastic
  - inelastic
  - profit
  - revenue
8. A \_\_\_\_\_ is something you can eat, drink, wear, smell, touch, feel, and take with you.
- service
  - good
  - public good
  - public service
9. A \_\_\_\_\_ is something you pay someone to do for you, such as cleaning your clothes or washing your car.
- service
  - good
  - public good
  - profit good
10. When raising or lowering the price of a good does not change the amount sold, the *demand* for the good is called \_\_\_\_\_.
- elastic
  - inelastic
  - profit
  - revenue



Use the list below to complete the following statements.

<b>cottages</b>	<b>factor market</b>	<b>product market</b>
<b>cottage industries</b>	<b>factories</b>	<b>specialization of labor</b>
<b>factor</b>		

11. In the \_\_\_\_\_, companies pay money to people in return for labor or natural resources.
12. In the \_\_\_\_\_, manufacturers sell goods and consumers buy them.
13. The *entrepreneur* is someone who organizes people's labor and combines it with other resources to produce a product. Another name for the entrepreneur in the history of industry was the \_\_\_\_\_.
14. In times past, the entrepreneur brought work to workers' homes, where workers labored on a product. Because workers lived in \_\_\_\_\_, these home workplaces were called \_\_\_\_\_.
15. Each family completed one of the many tasks necessary to produce a good. The separation of an entire job into its parts is called \_\_\_\_\_.
16. Eventually the entrepreneur moved all workers to a building near a power source such as water. These buildings are still called \_\_\_\_\_.



Identify the following statements as describing an **elastic demand (E)** or an **inelastic demand (I)**. Write the correct letter on the line provided.

- \_\_\_\_\_ 17. Although the price of the board game *Clear Thinking* changed constantly, its sales remained the same.
- \_\_\_\_\_ 18. However, after another toy company came up with an equally exciting game called *Sharp Thinking*, the sales of *Clear Thinking* dropped when its price was raised.
- \_\_\_\_\_ 19. There was only one product on the market for a serious condition called *I-Can't-Get-Going-in-the-Morning*.
- \_\_\_\_\_ 20. Whereas 30 years ago the only basketball shoe worn in the United States was made by Converse, today there are many companies selling equally good basketball shoes.
- \_\_\_\_\_ 21. There is just no good substitute for treating a clogged wormhole in space other than *Trek's Space Wash*.
- \_\_\_\_\_ 22. The gas stations are having a gas war: each station keeps lowering its price to keep pace with the others.

Write **True** if the statement is correct. Write **False** if the statement is not correct.

- \_\_\_\_\_ 23. The *law of supply and demand* does not describe the interaction that goes on between buyer and seller.
- \_\_\_\_\_ 24. The *law of supply and demand* states that as demand increases, supply will decrease.
- \_\_\_\_\_ 25. *Net profit* is the money a company has after paying all its costs, including taxes.
- \_\_\_\_\_ 26. *Private goods* are owned by individual people.



- \_\_\_\_\_ 27. *Public goods* are managed by the government.
- \_\_\_\_\_ 28. The government uses *tax revenue* to pay for and maintain private goods.
- \_\_\_\_\_ 29. Examples of *private goods* are parks, water, and most local bus systems.
- \_\_\_\_\_ 30. Examples of *public goods* are homes and cars owned by individuals.





## Keys

### Practice (pp. 85-86)

1. the law of supply and demand
2. factor market and product market
3. In the factor market, companies exchange money as wages, rent, interest, or profits to people in return for land, labor, capital, or entrepreneurial skills; in the product market companies sell goods or services to the consumer in return for money.
4. a person who organizes labor with other resources to produce a product and is engaged in business for himself or herself
5. the separation of an entire job into different parts to produce more

### Practice (p. 93)

1. 2,000,000
2. \$3.00
3. 500,000
4. \$2.00
5. 1,750,000
6. \$4.50

### Practice (p. 95)

1. 500,000
2. \$4.00
3. 1,000,000
4. \$5.00
5. \$3.50
6. 750,000

### Practice (pp. 98-99)

1. quantity demanded for the product changes as the price of the product changes
2. quantity demanded for the product will not change whether the price of that product is lowered or raised
3. substitutes
4. lack of substitutes; need to survive
5. insulin

6. doughnuts
7. Goods are objects that can be carried away and kept; services are not.

### Practice (p. 100)

1. supply and demand
2. Consumers will increase their demand for a product as the price decreases; producers will increase supply as price increases.
3. fair market price
4. intersect or meet
5. substitutes
6. inelastic

### Practice (pp. 104-105)

1. I
2. E
3. P
4. P
5. P
6. P
7. P
8. I
9. I
10. E
11. I
12. E
13. E
14. E
15. E
16. E
17. P
18. P
19. I
20. P

### Practice (pp. 106-107)

1. c
2. c
3. b
4. b
5. d
6. a



## Keys

7. d
8. c
9. a

### Practice (p. 108)

1. True
2. True
3. True
4. True
5. False
6. True
7. True
8. False
9. False
10. True

### Practice (pp. 109-110)

1. fair market price; competitive market price; market clearing price
2. factor; product
3. the amount of a good or service consumers are willing and able to buy depending on the price
4. resources, including people's labor
5. by factors exchanging wages for labor
6. people doing only one part of the process necessary to produce a good
7. factories
8. product market
9. substitutes

### Practice (pp. 112-113)

Answers will vary but may include the following:

1. Manufacturers benefit from specialization of labor because people can be more efficient at a single task. Thus the cost of production will be lower. The worker may find that performing only one task is tedious and not as satisfying as working on many

tasks involved in the production of a product. Specialization of labor also means that workers cannot easily be shifted to other tasks because they would not know or have developed the needed skills.

2. When the price drops below the point at which a manufacturer makes a profit, the manufacturer will probably stop production.
3. Once a public good becomes a private good, the owner may be able to do anything he wants with the good. As a private good parks can be turned into parking lots and highways could be shut down. So keeping public goods public protects them and keeps them in a state desirable to us.

### Practice (p. 114)

1. A
2. C
3. D
4. I
5. E
6. F
7. H
8. G
9. B

### Unit Assessment (pp. 47-51TG)

1. b
2. c
3. a
4. c
5. d
6. b
7. a
8. b
9. a
10. b
11. factor market
12. product market
13. factor



## Keys

14. cottages; cottage industries
15. specialization of labor
16. factories
17. I
18. E
19. I
20. E
21. I
22. E
23. False
24. False
25. True
26. True
27. True
28. False
29. False
30. False





## Unit 4: Economic Institutions

This unit discusses the ways in which businesses organize themselves and compete in the marketplace, the characteristics of *money*, and the regulation of the United States *money supply*.

### Unit Focus

- different references of the term *economic institutions*
- differences in the four basic types of business competitions: pure competition, pure monopoly, oligopoly, and monopolistic competition
- forms of business organizations (e.g., sole proprietorships, partnerships, and corporations), noting the major advantages and disadvantages of each
- major sources of business funds
- what *money* is and the difference between species and token
- main functions of the Federal Reserve System (Fed)
- regulatory tools the Fed can use to influence the nation's supply of money
- meaning of *demand deposit*, *time deposit*, *credit*, *gross domestic product (GDP)*, *inflation*, and *recession*

### Suggestions for Enrichment

1. Place five items on a table in front of the class. Ask students to answer questions about the items: What raw materials might be needed to make each item? What types of labor might be used to make each item? What capital goods might be used to make each item? What organizational skills might be required to organize the labor, capital, and raw materials used to make each item? How might the producer obtain the resources for each item?



2. Have students bring in newspaper advertisements or use the telephone book yellow pages to list examples of different business organizations and the advantages and disadvantages of each type, including ease of organization, ability to raise financial resources for growth, control of business, taxation, etc.
3. Assign students one of the following to research. Have students write a brief report about the subject's place in the economic history of the United States: John D. Rockefeller, Andrew Carnegie, James Fisk, Jay Gould, J. P. Morgan, Cornelius Vanderbilt, and the DuPont family.
4. Ask students to think about the board game *Monopoly* and discuss the following: What is the goal of the game? How do the rules of the game apply to the real corporate monopolies? How does it relate to what sometimes happens with large corporations in capitalistic societies? What is the definition of monopoly? How can a company produce or sell a commodity or service for which there is no practical substitute? Why are the concepts of monopolies and capitalism in great contrast to each other? Are monopolies fair? Why are monopolies illegal? Discuss how trusts operate and the difference between a trust and a monopoly. Why are trusts legal?
5. Discuss the meaning of the word *merge*. What does a merger of companies mean? Ask the following: What types of companies might want to merge to make a bigger company? How does this relate to the notion of monopolies?
6. Have students research historic examples of companies that were charged with monopolization of their industries and services (e.g., Standard Oil Company, American Tobacco Company, International Business Machines Corporation (IBM), General Mills, General Foods, American Telephone and Telegraph (AT&T), Bell Telephone). The Federal Trade Commission Web site (<http://www.ftc.org>) has information on antitrust cases and the Department of Justice Antitrust Division Web site (<http://www.usdoj-gov/atr/index.html>) contains appellate briefs for antitrust cases since December 1994. Ask students to answer the following about the corporation: In what year was the company tried for monopolizing a sector of the economy, and what commodity or service was the company accused of monopolizing? How did the company defend



itself in the court case? What was the verdict and why? What were the results of the verdict on the corporation? What is the company like now? How do you feel about the verdict and why? Have students discuss possible connections between their company's court case and the Microsoft court case and write an essay comparing and contrasting the Microsoft trial to the researched company's antitrust law suit.

7. Ask students to interview an adult about the monopoly on telephone services until the mid-1970s and what aspects of telecommunications were completely controlled.
8. Have students research Congressional acts and new government offices developed to amend the Sherman Antitrust Act (Clayton Antitrust Act, Federal Trade Commission, Robinson-Patman Act, Celler-Kefauver Antimerger Act).
9. Have students research companies currently under scrutiny for possible antitrust law violation.
10. Have students brainstorm what they know about the Microsoft Corporation. Discuss why the Sherman Antitrust Act was originally written. Ask the following: Why did economists in the late 19<sup>th</sup> century oppose this act? Why did this change by the early 1900s? Have students research President Theodore Roosevelt's views on good and bad trusts and if they agree or disagree with his ideas and why. Ask students to examine why John D. Rockefeller's Standard Oil Company epitomized what a monopoly is and how it works in a capitalist economy. When discussing monopolies and the Sherman Antitrust Act, what are the main differences between the Standard Oil Company and Microsoft?
11. Have students obtain a list of different Microsoft products on the Microsoft Web site (<http://www.microsoft.com>). Ask students to determine which computers in their school are dependent upon Microsoft applications and software.
12. Have students research the government's charges against the Microsoft Corporation. Ask students to assume the role of the judge hearing the case and express his or her decision in a persuasive



essay addressing the following: Why is a monopoly bad? Can a monopoly ever be good? Why would his or her decision advance the goals of capitalism? (Optional: Ask students to include a timeline of events in the case.)

13. Have students find editorial cartoons on business mergers, Microsoft, and other related issues and explain how they present the issues, and what opinions and insights they offer?
14. Discuss the fundamentals of the United States market economy and stock ownership and how stockholders share the risks and rewards of business ownership by purchasing stock.
15. Have students discuss reasons why companies like to associate their products with professional sports figures. Have students research companies who hire sport celebrities to endorse their products and choose three companies and record their recent stock history. Ask students to discuss how the actions of a sport celebrity sponsor could affect a company's sales and stock.
16. Have students choose magazine advertisements featuring famous celebrities and write an explanation of how that celebrity helps to present the image that the company wants for its products. Ask students to also state whether they think that celebrity is the best person to sponsor that product. If not, who should the company hire for the advertisement instead?
17. Have students work in groups to create a 30-second television commercial for fictitious products that feature one or more real celebrities. Ask the class to rate each group's commercial based on how well the celebrity's presence enhanced the appeal of the product and state whether that particular celebrity is an appropriate sponsor for that product.
18. Ask students to assume the role of a representative from a company on one of the stock exchanges to make a presentation on a product to shareholders and customers. The product presentation should include the following: product description, supply and demand information for the product, market share, quantity sold, revenues and profits from sale of product, comparison between other companies' similar products, how the product is brought to market



(e.g., produced or exported), selling price and cost, brand strategy, amount spent on research and development; amount spent on advertising, advertising campaign summary.

19. Have students bring in the stock market section of the newspaper and teach them how to read it. Ask students to choose 10 companies and gather background information from those companies' Web sites (e.g., type of company, number of years in business, summary of what the company does, last year's and this year's profits). After reviewing the information, ask students to decide on five companies in which to invest a total of \$100,000. Have students find out the current selling price per share for each company's stock and decide how many shares to buy. Ask students to create a spreadsheet that includes name of stock and symbol, and initial investment (date of transaction, price per share, number of shares, total investment; daily record: date of transaction, buy/sell, number of shares, price per share, current value, profit/loss). At the end of the designated stock performance period, ask students to create a line chart showing profit or loss for each stock investment.
20. Have students use the *Investing for Kids* Web site (<http://tqd.advanced.org/3096/>) to research investment options, such as stocks, bonds, and mutual funds, and play various levels of stock games provided on the site.
21. Have students pretend an aunt has just given them \$2,000 to invest in stocks. The aunt, who keeps all of her own extra money in a savings account, might be uneasy about the decision to buy stock. Ask students to anticipate the aunt's concerns and write a letter explaining why they think they are making good use of the money, even though stock ownership involves risk. Have students include information about the company whose shares they would be willing to purchase and the description of two products made by that company.
22. Tell students they each have inherited \$100,000 for investment purposes. Have each student write his or her finance objective (e.g., college, marriage, children, future business, wealth, retirement). Discuss the concept of risk and explain the reasons for diversifying a portfolio. Divide class into small groups with similar objectives and



ask them to come up with a portfolio of investments. After a set time, have students report on the cost value versus the market value of their chosen investments. Then have them redo their portfolios with balanced investments and present their portfolios to the class.

23. Use *Invest Smart*, a free stock game for classrooms (<http://library.thinkquest.org/10326/>). The Web site is for classrooms or student investment clubs and offers a multiple quotes and symbols search from the New York Stock Exchange (NYSE), the American Stock Exchange (AMEX), and the National Association of Securities and Dealers Automated Quotations or the Nasdaq Stock Market (NASDAQ). The game allows students to view their portfolios and monitor progress from the Group Director and research stock capability using a database of over 5,000 companies. The site allows students to benchmark their portfolios against the Standard and Poor's (S&P) 500.
24. Have students use *Edustock* (<http://tqd.advanced.org/3088/>) to research and choose stocks from a selected group of companies and check prices on a free 20-minute delayed stock market simulation.
25. Have students play the online version of *The Stock Market Game* sponsored by the Securities Industry Foundation for Economic Education (telephone number 212-618-0519) on the Internet (<http://www.smg2000.org>). Each fall and spring, the school-based game gives teams 10 weeks to turn a virtual \$100,000 into a winning portfolio.
26. Brainstorm suggestions for substitutes for United States currency such as gold, cookies, oil, shells, salt, beans, etc. Measure each suggestion against the characteristics and acceptability of current money. You may want to use a chart to record the main points under the categories described in the text: portability, durability, etc.
27. Discuss funding sources for businesses: loans from outside sources, retained earnings (reinvestment of profits), and new partners, for example. Ask the students why a business might favor one source over another and what problems might be encountered.



28. As a way of teaching banking skills, present the story below orally to students. After the story, have students discuss the following questions. (Due to the story's length, you may wish to provide students with a copy to read along with you.)
- Why was there a demand for Slim's services in Pine Gulch?
  - How did Slim use this demand to create a monetary system for the town?
  - Why was it important for Slim to go to San Francisco to get the ink and paper to write the receipts?
  - Why did the people of Pine Gulch accept these receipts as currency?
  - How did Slim increase the money supply in Pine Gulch? How did he decrease it?
  - Who benefited from this practice? Why did Slim have to leave town after Big Bart shot him?
  - How did Slim become one of the richest men in Pine Gulch?
  - How does contemporary banking and Americans' faith in their monetary system compare with the faith the citizens of Pine Gulch had in Slim?

**Recollections of Pine Gulch 1840-1890  
Taken from the Memoirs of Gus Mahler**

With the discovery of gold at Sutter's Mill in 1848, a new American Dream of sudden wealth taken from the ground resulted in a population boom in Northern California. Where before there had been barren wilderness and small homesteads, the discovery of gold gave rise to "boom towns" and "mining camps" filled with men (and some women) who believed that they were going to strike it rich. As some of these opportunists came to realize that they were not going to find the big strike, they saw the need to provide services for those who continued to try to find the Mother



Lode. Among those who felt that they could do better in some form of the service industry was Gus Mahler, who saw that he could make a living by providing a service that miners always had a demand for—he opened a saloon. The following is Gus' story.

“I had one of the first permanent buildings in Pine Gulch. When every other business was set up in tents, I built a two-story saloon that had rooms for paying customers to sleep it off and a poker room in the back of the first floor. Business was good—too good. I constantly worried about the amount of gold dust I had on hand. We didn't use money in Pine Gulch—that was too inconvenient. If a person found some gold, he would have to ride 85 miles to the nearest bank in San Francisco to get money for the gold. Since the only reason for being in Pine Gulch had to do with gold, everyone had gold. We just used gold for money. Well, there were others in Pine Gulch who were even worse than me in prospecting for gold, and they weren't so particular in how they were going to make a living. Every businessman in town, me included, was worried about getting robbed—especially those who didn't live in a room located where their business was. We had many of our businessmen get hit over the head on their way home at night, especially after a good day of selling their wares. Something had to be done.

“Sometime in early 1851, six or seven of us got together and discussed the problem. I didn't have to worry about going home with the receipts at night like my fellow businessmen, but I was worried about a raid on my saloon. The saloon in Red Mountain had been knocked over late one night and the owner, a Swede named Ole Svenson, had lost a large supply of dust because he hadn't been to San Francisco in five months. I was afraid that the crooks that had done that job would hit my place one night, even though I made the trip to Frisco once a month and never kept as much on hand as Svenson had that night. Moon Jenkins, the dry goods supplier, came up with possibly the best idea that he ever had.



“He suggested that we find the biggest, toughest, best-shooting, most honest piece of man-flesh that we could find and offer him a job. He takes care of our gold dust for us, and we give him some of it in exchange for his protection. The only problem, according to Moon, was that he didn’t know anyone who was man enough and mean enough to handle the crooks in the area and at the same time honest enough for us to trust.

“Smithy Perkins, the blacksmith, said that he knew a man who fit the bill—Slim Johnson. We all agreed with no reservations. Slim Johnson was a giant of a man—six foot, seven inches tall and weighing 300 pounds if he weighed an ounce. Slim would have stood out in Pine Gulch just by his size, but what folks around here think about when they think of Slim is the time he dropped a deer at the crest of Skillet Mountain with a single shot from 400 yards below. Those who saw the shot said that no man could ever match it. Slim was liked by everyone. There weren’t many in Pine Gulch who hadn’t been befriended by Slim at some point. We all felt a little sorry that a nice guy like that had had such rotten luck in searching for gold. Slim never seemed to find more than enough to keep him in vittles and the occasional beer. After discussing how we felt about Slim, we adjourned our meeting and went to make him a proposal.

“We found Slim working his claim over on the Elbow Creek and asked him if he was willing to listen to a job offer. He said that since his luck had been running about normal that day, he might as well take some time out to talk with us. We described our problem and explained that we wanted someone we could trust and have confidence in to take care of our gold dust. Slim asked us what he would earn from this, and we told he that we would each give him one-half of one percent of our gold that he held each month in exchange for him safeguarding it for us. Slim asked us how much we would be asking him to guard each month, and, after doing a little calculating, he figured that he would see a lot more gold tending after ours than he ever would working his claim. He agreed to our deal and asked us give him the weekend to make preparations.



“Slim spent that weekend making arrangements in Pine Gulch. He rented a small house in town, and all weekend people heard the sound of hammering and sawing coming from the house. When we went to see Slim on Monday, he showed us his work. He had put iron bars on the three windows in the house and cut a hole in the floor and placed sheets of steel all around the hole. He told us that he intended to keep our gold in this hole. When Moon Jenkins asked him what would keep someone from crawling under the house and trying to get into the hole from the outside, Slim told him to go outside and crawl under the house and try. Moon came running back in within seconds, and I think I actually heard him cuss for the first time. It was such a shock that I wasn’t sure what I heard. I did hear him say something about a monster and realized that Slim wasn’t living in the house alone—he had brought Daisy to town with him. Daisy was a creature of indeterminate breed. Some thought she was a dog; others considered her a wolf. The only thing I was sure of was that Slim was the only one who Daisy got along with. I knew that if anyone was going to try to break into Slim’s strongbox from the outside, Daisy was a big obstacle that they were going to have to overcome. Satisfied, we all went back to our businesses and brought most of the gold dust we had on hand and deposited it with Slim. He gave us receipts for the amount we placed with him and told us to return whenever we needed to put more in or get some out.

“This began Slim’s banking career. As more and more of Pine Gulch’s businessmen saw the advantage of having Slim take care of the gold dust that they made, they made the same deal with Slim—in exchange for Slim taking care of the gold dust (and the occasional nuggets that they took in), Slim would receive one-half of one percent of the dust that he held for them. Slim, being a sharp businessman himself, began offering his services to the prospectors in the area, also, and slowly they too began using his services. As his customers expanded, Slim slowly started on his way to becoming the wealthiest man in Pine Gulch. But as the years went on and his list of customers grew, he began realizing that the demands on his time were becoming so much that he wasn’t able to enjoy his new-found wealth.



“The final straw came the night that Orville Kanter got involved in a poker game in the back of my saloon. I closed the saloon at around two in the morning but allowed the game in the back to continue. Somewhere around four in the morning, Orville, who had been losing steadily for quite some time, got involved in a show down with Two-Fingers Bradley. Bradley had been the game’s big winner that night, and I think that he thought he could buy the pot from Orville. When Orville wouldn’t back down and couldn’t match Two-Fingers’ bet, he turned to me and asked me to hold his cards while he went to get the money required to match the bet. I agreed and we waited about 20 minutes until Orville returned with the dust necessary to match the bet. It was a good thing that Orville’s straight was better than Two-Fingers’ three kings because I sure didn’t want Orville to suffer the black eye he had gotten for nothing. It seems that when Orville went to get the dust he needed to match the bet, he barged into Slim’s house to wake him up and get what he needed. Normally, I don’t think that would have been a problem, but Slim wasn’t alone when Orville burst in, and I think he was a little embarrassed to be found embracing Bessie Nordstrom.... Anyway, Slim’s first reaction when Orville burst in the door was to leap up and land a haymaker on Orville that gave him a beaut of a shiner. After helping Orville up off the floor, Slim withdrew the gold dust that Orville needed, but I understand that he wasn’t very happy about being disturbed at that particular time.

“The next day Slim stopped by the saloon and told me that he was going to be gone for a couple of days and that I would need to hold on to my dust until he returned. He rode off that night without telling us where he was going.

“When he returned, he summoned me to his house and told me where he had been. It seems that he had ridden to San Francisco looking for something that could help him keep from being interrupted at all hours of the night and also from having to be on call for all the people who had left their dust with him. He told me that he had searched all over San Francisco and finally found something that would fit his needs. He had found a stationery shop just off Nob Hill, and he had asked the owner if there was any paper and ink that



the owner had in stock that was unique. The owner of the stationery shop said that he had had an eccentric old widow who had special ordered a unique combination from him and then died before she had picked up the order. The order was green paper and purple ink. Slim looked the material over and, after determining that there was no paper and ink like it on the West Coast, he bought the entire supply.

“Why?” I asked him. Slim answered that from that point on, whenever we left gold dust with him, he would write out a receipt for the amount of dust we had left. He said that he would even fill out receipts for different amounts. If I left \$100 worth of dust with him, for example, he could give me one receipt for \$100, or two receipts for \$50, or whatever combination I wished. Then whenever I needed to purchase anything, instead of coming to Slim to withdraw some of the dust I had left with him, I could just give a receipt to whomever I was doing business with and that person would know that if they wanted the dust, they could go to Slim and withdraw it. If they didn’t want the inconvenience of carrying the dust around, they could just hold on to the receipt and use it to purchase something that they wanted. Slim guaranteed me that he had the only supply of green paper and purple ink on the West Coast and that everyone would know that the receipt was good because of his signature on the receipt. When I asked Slim if this writing of these receipts would be worth all the trouble that he would have to go through, he replied that they were going to make his job much easier because now people wouldn’t be bothering him at all times of the night to get their dust. In fact, he said that he was only going to be open on Monday through Friday from 9:00 a.m. to 4:00 p.m. for people to leave their dust with him or withdraw dust. In this way he could still protect the deposits and have a life of his own.

“I was skeptical at first, but gradually everyone in Pine Gulch accepted Slim’s receipts as ‘money,’ and Slim’s life began to approach what would be considered by some to be normal. If it had been anyone else but Slim, I don’t think the plan would have worked, but since everyone knew Slim to be an honest and virtuous man (Bessie Nordstrom notwithstanding), Slim’s currency became the medium of exchange in Pine Gulch.



“Some even joked that Slim should add a slogan to the receipts—one that said ‘In Slim, we trust.’

“About a year after Slim introduced his currency into Pine Gulch, he stopped into my saloon to have a glass of sarsaparilla. I had been doing some thinking about how to improve my business, since Pine Gulch was growing and I no longer had the only saloon in town. I had a few ideas about what would bring more business into my place, but I sure didn’t have the money I needed. I brought Slim his glass of sarsaparilla and took him over to the corner booth to discuss my particular problem. I wanted to add on to the saloon and build a big stage where I could bring in some fancy dancers from San Francisco for a show. The type of fancy place I envisioned would have a mirror running the length of the bar and fancy curtains and all the baubles I saw in those fancy places in San Francisco. The only trouble was that everything I wanted was going to cost around \$5,000, and I didn’t have anywhere near that amount of money, especially since the other saloons were taking a large part of my business away. I asked Slim if there was some idea that he had that could help me with my problem.

“Slim thought for a while, and then he said that he didn’t have enough to lend me either. He had spent a large part of his earnings on the new building he bought for his bank. But, he said, if I would stop by the bank the next day, he might have a way for me to get what I needed to expand. I went to the bank the next day, and Slim welcomed me and took me into his back office. After we sat down, Slim told me that he had a solution to my problem. He reached into his desk and pulled out a stack of receipts totaling \$5,000. He pushed the stack across his desk and told me that the receipts were mine to use for the expansion of my place.

“I was shocked! ‘Where,’ I asked Slim, ‘did the money come from? I thought you said you didn’t have any you could lend me. What is this?’ I was not prepared for Slim’s answer. He told me that he had written up the receipts that morning.



I couldn't believe my ears. We had come to Slim to care for our gold because we trusted him. Now he was offering to hand me receipts for gold that I didn't have. It had to be stealing.

"Slim told me not to worry. He explained that he had around \$20,000 worth of gold dust in his safe, and he had written \$20,000 worth of receipts that we were circulating in Pine Gulch as currency. But few people ever came into the bank and cashed the receipts in for gold dust anymore. In fact, he said that the biggest demand for gold dust in the previous year had been a \$1,000 redemption of receipts. Since he had more dust on hand than anyone ever wanted to redeem, he felt that he could write out enough receipts to give me a loan for my expansion and never worry because the people wouldn't demand their gold.

"I was thinking that somehow what we were talking about was illegal. Slim was writing receipts for gold that I hadn't put into his bank and allowing me to spend the receipts. Something was wrong here. Slim explained to me that I wasn't going to get the receipts for nothing. He reached into his desk and pulled out a piece of paper and handed it to me. The paper said that I, Gus Mahler, was borrowing \$5,000 in receipts from Slim's bank and that in six months I would repay the \$5,000 plus \$1,000 in something called interest. He explained that the \$1,000 was going to my cost of borrowing from his bank. I was nervous about this, but as long as Slim assured me that he would stick the paper away where no one would see it and wouldn't tell anyone about it, I felt that I could improve my business and make enough to repay the loan without anyone learning about it.

"I accepted the receipts and began ordering what I needed from the businesses in town. The materials to expand my saloon got to Pine Gulch within a month, and the expansion took about another two weeks. By the end of the six month period of the loan, my business had improved to such a point that I could repay the loan in full plus the interest that I owed Slim. I walked into Slim's office one Monday morning and, after we had gone back into his office, I took the \$6,000 in receipts out of my pocket, set it on his desk, and



demanded that he give me the note that I had signed. Slim reached into his desk and withdrew the note. When he handed it over to me, I immediately ripped the note up into little pieces so that it could never be recognizable again. I breathed a sigh of relief (that note had worried me so much for the past six months that I had not had a decent night's sleep) and started laughing, as much from relief as anything else. Slim looked at me, started laughing too, and then, to my dismay, he took the receipts that I had put on his desk, set aside \$1,000 worth, and ripped up the rest! I was shocked! I started choking as my laughter got caught in my throat.

“What are you doing?” I screamed. Slim just kept laughing at me, laughing in such a way that I worried about his sanity. I ran out of his office and back to the saloon. Over a couple of shots of whiskey, I calmed down and thought about what had happened. Slim had, by loaning me \$5,000 of receipts increased the money supply in Pine Gulch. Then, when I no longer had the need for the money and repaid the loan, he decreased the money supply back to what it had been before. The only difference, as I saw things, was that now Slim had \$1,000 that he didn't have before he made me the loan. Somehow, I wasn't sure exactly, Slim's control of the money supply made him more wealthy. Everyone in town still trusted Slim and had faith in his receipts as our currency, but I was a little leery. Somehow, something wasn't right.

“As the years went along, Slim made loans to many others in Pine Gulch. I never felt good about borrowing from him again, but I knew many others who went to Slim whenever they needed something and couldn't afford it. I was sure that if he was making money off their loans the way he did off mine, he had to be the richest man in Pine Gulch. But the gold strikes were starting to peter out, and I wondered if Slim had anywhere near the gold dust in his safe as the amount of receipts that were in circulation.

“In the late 1860s a stranger rode into town. With my first glance at him, all thoughts of Slim being a big man left my head. This monster was bigger than most bears I had ever seen. He sat in my saloon, tossing back beers with the



regulars and telling jokes and laughing louder than anyone I had ever heard. His name was Bart McQueen, but everyone referred to him as Big Bart. After partying all over town for a couple of days, Big Bart announced his intentions to settle down in Pine Gulch. He said he was going to need a job, and he wanted the best job in town. 'What is that job?' he asked, and everyone in town knew what the answer was. 'Slim Johnson has the best job in town,' they said. 'He's the banker.' After listening to the townspeople talk about Slim and his job, Big Bart decided that this was the job for him.

"'You can't do that,' Smithy Perkins said. 'Slim is the banker and he's the one we go to for finances. We can't have two bankers and two different kinds of money. That would make things confusing.'

"'No problem,' said Bart, 'just tell Slim that I'll be waiting for him in the street at 3:00 p.m. this afternoon. After we're done, there will only be one person who wants to be banker in Pine Gulch.'

"Like wild fire, the news spread through Pine Gulch. When I heard it, I knew that Slim was in trouble. No one had challenged him for years, and I had been beginning to wonder if he was living off his reputation. Big Bart was impressive looking, and if he could handle a six-gun, I had a feeling that Slim might have seen better days.

"That afternoon, there was no one on the only street that ran through Pine Gulch, but if you looked behind the curtains that looked out on the street, you would have found everyone who lived within five miles of town. A lot of people were wondering if Slim would show up, but at 3:00 p.m. he walked out of his office and took up a position in the middle of the street. About a minute later, Big Bart walked out of the office of the Pine Gulch *Gazette* (I found out later he was helping the copy boy write Slim's obituary) and took up a position opposite Slim.

"I heard him tell Slim that this fuss could be avoided if Slim chose to leave town. Slim's reply was that the person who should leave was the person who was new to town. I'm not



really clear about what happened next. I think Bart told Slim that he should draw first, but I did see the one shot that was fired. Slim went for his gun, but he didn't even get it out of his belt before Bart had drawn and fired. Slim fell immediately, but we knew he wasn't dead. The scream that he let out informed all of us that he was still alive. Bart had shot him in the knee cap, and the bullet had shattered his knee.

"Immediately the street was filled with people. About five guys picked up Slim and carted him off to his office, all the while yelling for Doc Adams to come and patch up his knee. The others milled around Big Bart and went with him to my saloon to join in some celebratory drinks. The liquor sure flowed that afternoon. Big Bart announced that he would be opening his bank on Monday morning and that he would be issuing his own receipts for deposits that he expected to be used as currency in Pine Gulch. Everyone in town thought that Big Bart's new bank was the way to go, and they went running down to Slim's bank to cash in their receipts and get their gold dust to put in Big Bart's bank the following Monday.

"In just a few minutes a huge crowd had developed outside Slim's bank. No one was being allowed inside and after about 15 minutes, Doc Adams came out and said that Slim was closing the bank for the day because of his wound, but that the bank would be open at 8:00 a.m. Monday morning for anyone who wanted to redeem their receipts for gold dust. The crowd dispersed (many of them coming back to my saloon to drink with Big Bart and congratulate him on his impressive handling of Slim), and things settled down for the weekend.

"The next Monday a long line developed in front of Slim's bank by 8:00 a.m. Everyone in town was waiting to cash in the funny green receipts with the purple ink and get their gold dust to put in Big Bart's bank. When the doors didn't open at 8:00 a.m., there was some grumbling. When the doors didn't open by 8:30 a.m., the grumbling turned into action. The doors were kicked in, and we were greeted with



a terrible sight. Slim's vault was open, and the only thing in it was a pile of promissory notes that almost everyone in town had signed. Oh, there was one other thing found in the vault—a sealed letter addressed to me. Sensing the mood of the crowd around me, I didn't think it would be a good idea to take the letter and read it privately. I got up on the counter, yelled at everyone to be quiet, tore open the letter, and began reading aloud.

"My old friend Gus', the letter began, 'I'm writing this to you because you are probably the person in this town who will best understand what has happened. My unfortunate run-in with the impressive Mr. McQueen this afternoon (the letter must have been written Friday evening after the gunfight) has left me unable to handle the financial needs of this community. As you may suspect, Pine Gulch has been in existence financially because everyone used my receipts as their currency. Whenever anyone in town needed money, I was willing to write out new receipts in exchange for their promissory notes which I held in my vault. Over the years more and more people came to me for loans for longer and longer periods of time. I realized that there were far more receipts in circulation in Pine Gulch than I could ever cover with the gold dust that I had available, but as long as people retained their faith in me and didn't all come in to redeem their receipts at the same time, we would have no problems. The people of Pine Gulch no longer have the faith in me that is required, as is evidenced by the fact that they all wish to withdraw their gold dust and place it in Mr. McQueen's new establishment. Well, I am unable to redeem all of the receipts in the community. As you can see by the notes here in this vault, there are almost \$200,000 worth of receipts outstanding in Pine Gulch. Unfortunately, I have never had more than \$40,000 worth of gold dust in my vault. Thus, I am faced with a dilemma. Do I stay in Pine Gulch, pay off the fortunate few who arrive first on Monday morning, and then, after the gold dust is gone, say that I'm sorry to the others who did not get the chance to redeem their receipts? Or do I leave town, realizing that a man of my skills can get away with a two-day head start? If I do the first, I have no doubt that I will be swinging from a tree before lunchtime. If



I do the second, I will undoubtedly have a guilty conscience for the rest of my days. After a great deal of reflection (and a generous dose of Doc Adams' pain reliever), I have decided to take the second course. I feel that my conscience can be greatly eased by the gold dust that I feel I am honor-bound to take with me. If I leave the gold, only a small section of the population in Pine Gulch will receive what they feel they are owed, and those who receive none of the gold will feel antagonistic to those who have received some of the gold. If the people of Pine Gulch are to be antagonistic to anyone, let it be me. I wish the people of Pine Gulch well. They are all in the same boat now. I hope that Mr. McQueen will be able to do for them what I have tried to do for the past 20 years. Goodbye, old friend. Please don't think ill of me. Signed, Hector 'Slim' Johnson.'

"As I finished the letter, there was an angry uproar from the crowd around me. There were cries of anguish and shouts of revenge and a push to gather up a posse to chase after Slim and string him up. However, most people in the crowd realized that the chances of catching someone like Slim after he had two days head start were slim indeed and thoughts of chasing after him gradually died out.

"The next few months after Slim vanished, things were tough in Pine Gulch. Most people heard about silver strikes over in Nevada and decided that maybe they should try their luck elsewhere. By the time a year had passed, only about 20 of us still lived in Pine Gulch. I stayed on. The occasional traveler through the valley always wanted to wet his whistle before he moved on. I never was very wealthy again, but I never let anyone else take care of my money (or my gold), either. I always wondered what would have happened if Big Bart had never come to Pine Gulch. I guess I'll never know."

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29. Ask students to conduct research to learn more about deregulation of banking institutions. How has deregulation affected his or her family's life.
30. Have students explore different purchasing situations to compare making a credit purchase and taking out a loan.
31. Have students assess the advantages and disadvantages of repaying a loan over a long period of time.
32. Ask students to brainstorm different reasons people use credit.
33. Have students research to determine the purposes of regulations governing the credit industry.
34. Have students research news articles about credit and its effect on the economy in promoting economic growth (it increases private sector demand; businesses increase production to meet new demand, improve competitiveness, and expand; new businesses form to compete for expanded markets; businesses hire workers for new plants, which creates new demand, starting the cycle again).
35. Have students compare and contrast different kinds of charge accounts and describe the costs of using credit cards (annual percentage rates, finance charges).
36. Discuss information needed in a credit application and the criteria by which credit applications are judged to decide whether a credit card will be granted to the applicant.
37. Have students search bank Web pages for the best certificate of deposit (CD) and mortgage rates. Have students make a table of CD and mortgage rate comparisons and discuss total and monthly mortgage costs. Have students use interest rate charts and data to discuss the varieties of financial instruments and discuss why the interest rates are different for long and short term loans.
38. Discuss why preventing the counterfeiting of money is important and what other counterfeit-proofing measures could have been included in new currency.



39. Discuss how businesses and consumers are realizing the cost and inconvenience of handling money and what effect this will have on how we buy and sell goods and services.
40. Discuss what effect the Electronic Age is having on money, especially currency (e.g., credit cards, debit cards, smart cards, telephone banking, computer banking).
41. Show the film, *The Fed...Our Central Bank*.
42. Plan a visit and a tour of a local bank. In advance, discuss with the bank's representative the topics you would like to have addressed (e.g., loans, interest, credit, checking and savings accounts, ATM, demand deposits, supply and source of currency).
43. Present the following information obtained from *Money, Banking, and the Federal Reserve System*, Federal Reserve Bank of Minneapolis, 1982. Then discuss using the questions below.

In the mid-1880s, the United States was growing and becoming an industrialized nation. As production of goods and services increased, the nation's commerce and trade activity expanded. As commerce expanded, so did the need for financial institutions which would hold money until it was needed and provide money and credit for a growing economy.

New banks were formed practically overnight to serve these needs. Because of the remote areas in which banks were formed and the lack of supervision over them, they were often called *wildcat* banks.

Just as merchants 100 years earlier had issued *bills of credit*, these new banks issued credit in the form of *bank notes*. Some bank notes were issued by large, established banks while others were printed by small, newly established institutions. People often received bank notes issued by two or three different institutions in payment for labor or goods or services. Each financial institution promised to pay back its currency with something of value, such as gold or silver, but often the currency was backed with speculative items such as land, stocks, or bonds. If the value of the speculative items dropped, a financial institution might not honor its bank notes.



Since each financial institution issued its own currency, it was difficult to know whether a particular note would be honored by another bank, merchant, or individual. There was always the possibility that an individual would accept a bank note and then not be able to use it to pay a debt or to buy goods or services. With no unified currency system or central agency to regulate financial institutions and the supply of money and credit, these problems associated with such lack of uniformity plagued the country well into the 19<sup>th</sup> century.

### Questions and Answers:

- In the United States in the mid-1880s there was an increasing need for financial institutions to hold money and to provide currency and credit for a growing economy. New banks were forming practically overnight to serve the needs of the growing economy. What was happening in the United States economy to spark this rapid economic growth? (*Answer: The country was growing and becoming an industrialized nation, and the nation's commerce and trade activity expanded.*)
- Why were these new financial institutions, which were forming at a rapid rate across the country, called "wildcat banks"? (*Answer: Because they were cropping up in remote areas and operating without supervision by the government they were called "wildcat banks."*)
- These institutions issued "bank notes." What purpose did these bank notes serve? (*Answer: They represented credit at the issuing institution and were used to pay for goods and services; they served as money.*)
- What was the value or promise behind these bank notes? (*Answer: Each institution promised to pay back its currency with something of value, such as gold or silver, but at times the notes were backed with speculative items such as land, stocks, or bonds.*)
- At times some of the early financial institutions would refuse to honor their own bank notes. If this happened, what might have been the bank's rationale for not making its notes good? (*Answer: If the notes were backed with speculative items that had decreased in value, the institution might not have items of sufficient value to make the notes good.*)



- Since each financial institution issued its own currency, it was difficult to know whether a particular bank note would be honored by another bank, merchant, or individual. Why might a particular bank's notes not have been accepted in payment on a debt, where another bank's notes might have been accepted in payment on that same debt? (*Answer: If one financial institution had a reputation for not making its notes good, then businesses or individuals might worry that if they accepted that bank's notes as money in payment for goods and services, their bank might refuse to make them good.*)
44. Most of the Federal Reserve Banks specialize in research they conduct because of the characteristics of their area of the country. Have students use the Internet to find as many Federal Reserve Banks they can and learn what economic information and research each one specializes in providing. Have students determine and explain why that is an appropriate specialization for the area of the country that Federal Reserve Banks serves.
  45. Have students use the Internet to research the purpose of the United States Federal Open Market Committee (FOMC) and find out the following: What was decided at their most recent meeting and what was the reaction of the financial or business community? Why is this committee important?
  46. Ask students to assume the role of archaeologists from another planet in the distant future. As archaeologists they find on Earth only one artifact, a small metal disc (a penny, though not identified as such). Have students make inferences about the vanished inhabitants.
  47. See Appendices A, B, and C for other instructional strategies, teaching suggestions, and accommodations/modifications.





## Unit Assessment

Use the list below to complete the following statements.

<b>backing the currency</b>	<b>monopoly</b>
<b>corporation</b>	<b>oligopoly</b>
<b>economic institutions</b>	<b>partnership</b>
<b>gross domestic product (GDP)</b>	<b>public utilities</b>
<b>money</b>	<b>pure competition</b>
<b>monopolistic competition</b>	<b>sole proprietorship</b>

1. In addition to referring to buildings, the phrase \_\_\_\_\_ also refers to the way businesses are *organized* and the way they *compete* in the marketplace.
2. Business competition exists in many forms. In a market which has many independent sellers offering the same goods and services, competition is called \_\_\_\_\_. This form of competition is rare and includes farm producers.
3. When only one seller controls a good or service, the resulting *lack* of competition and exclusive control is called a \_\_\_\_\_.
4. Local governments often grant \_\_\_\_\_ the right to exist without competition from other companies.
5. In one form of competition, there are only a few sellers in a marketplace. Wealthy companies drive out smaller companies. This competition is called \_\_\_\_\_. Examples can be found in the soft drink market and the pain reliever market.



6. A(n) \_\_\_\_\_ exists when only a few sellers have the resources to produce an expensive product, such as an automobile or a ship.
7. Businesses organize themselves in different ways. A(n) \_\_\_\_\_, for example, is a business that is owned by a *single person*.
8. When *two or more* people own a business, it is called a(n) \_\_\_\_\_.
9. The third type of business is owned by *investors*, or shareholders. It is called a(n) \_\_\_\_\_.
10. All businesses use \_\_\_\_\_ as a medium of exchange.
11. Keeping this medium of exchange valuable is called \_\_\_\_\_.
12. The total of all goods and services produced in one year within the borders of a nation is called the \_\_\_\_\_.



*Answer the following using complete sentences.*

13. How does the government determine how much currency (money) to issue? \_\_\_\_\_

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14. Why are checking accounts called *demand deposits*? \_\_\_\_\_

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15. What does the bank pay to customers with savings accounts?

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16. What are customers who take out bank loans charged? \_\_\_\_\_

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17. What are the largest financial institutions in the United States?

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18. What kinds of loans can a savings and loan association make?

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19. What type of bank can take in deposits, make only consumer loans, and are not allowed to make a profit? \_\_\_\_\_

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20. What kind of banking permits customers access to their accounts through automatic teller account cards? \_\_\_\_\_

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Circle the letter of the correct answer.

21. The full name of the *Fed*, or the federal agency that regulates the money supply, is the \_\_\_\_\_ .
  - a. Federal Systems of Reservations
  - b. Federal Bureau of Investigations
  - c. Federal Reserve System
  - d. Federal Money Regulators
  
22. \_\_\_\_\_ is **not** a way that the Fed regulates the money supply.
  - a. Setting the GDP
  - b. Setting the reserve requirement
  - c. Setting the discount rate for banks
  - d. Operating the federal open-market operations
  
23. Members of the Fed's Board of Governors are protected from year-to-year politics of government by receiving \_\_\_\_\_ .
  - a. lifetime pensions
  - b. round-the-clock police protection
  - c. million-dollar salaries
  - d. 14-year appointments
  
24. The Fed sets the reserve requirement to \_\_\_\_\_ .
  - a. make sure loans are always available
  - b. make sure the GDP does not decrease from year-to-year
  - c. make sure the government has enough tax revenue
  - d. make sure banks have enough funds to cover customers' checks and customers' withdrawals
  
25. The Fed sets the *discount rate*, or the rate banks must pay \_\_\_\_\_ .
  - a. for getting a licence to do business
  - b. as interest on money they borrow from reserve banks
  - c. as interest on their customers' savings accounts
  - d. on public utilities



26. When the *discount rate* is high, banks will probably grant \_\_\_\_\_ .
- more loans to their customers
  - fewer loans to their customers
  - more CDs to their customers
  - fewer checking accounts to their customers
27. A rise in the price of goods and services is called \_\_\_\_\_ .
- inflation
  - recession
  - discount living
  - oligopoly
28. \_\_\_\_\_ describes a decrease in the demand for goods and services.
- Inflation
  - Recession
  - Discount living
  - Oligopoly
29. The Fed uses the *reserve requirement*, the *discount rate*, and the *open-market operations* to \_\_\_\_\_ .
- help banks make a profit
  - keep the price of consumer goods low
  - increase and decrease the money supply
  - guard against monopolistic competition
30. The Fed's purpose is to \_\_\_\_\_ .
- adjust the money supply to keep the economy healthy
  - adjust the money to keep competition pure
  - insure the reelection of the president
  - limit foreign trade



## Keys

### Practice (p. 123)

1. F
2. D
3. C
4. E
5. B
6. A

### Practice (pp. 133-134)

1. sole
2. sole
3. mom and pop
4. corporations
5. Corporations
6. unlimited
7. partnerships
8. Professional Associates
9. stockholders

### Practice (p. 135)

1. True
2. False
3. True
4. True
5. False
6. True
7. False
8. True

### Practice (p. 136)

Answers will vary but may include the following:

#### **Sole Proprietorship:**

Advantage—own boss; make all decisions

Disadvantage— source of capital; unlimited liability; limited life

#### **Partnership:**

Advantage—larger source of capital; more money

Disadvantage—limited life; limited assets; unlimited liability

### Corporations:

Advantage—unlimited life; ability to raise revenue; limited liability

Disadvantage—managing larger organization and its resources

### Practice (p. 137)

1. C
2. B
3. C
4. B
5. A
6. B
7. C

### Practice (p. 142)

1. barter
2. double coincidence
3. money
4. intrinsic
5. species; token
6. legal tender
7. backing
8. goods and services

### Practice (p. 143)

1. C
2. A
3. D
4. B
5. E
6. F

### Practice (p. 148)

1. deposits
2. demand deposits
3. savings account
4. Certificates of deposit
5. bank loan
6. loaning
7. private banks
8. Private



## Keys

### Practice (p. 149)

1. withdraw
2. Federal Reserve System; Federal Deposit Insurance Corporation
3. house
4. members; commercial
5. charter
6. Electronic

### Practice (p. 150)

1. True
2. True
3. True
4. True
5. True
6. False
7. True
8. True
9. False
10. True
11. True

### Practice (pp. 159-160)

1. lends
2. discount rate
3. loans
4. securities; buys; reserves
5. money supply
6. Fed
7. increases
8. (1) Boston, MA  
(2) New York, NY  
(3) Philadelphia, PA  
(4) Cleveland, OH  
(5) Richmond, VA  
(6) Atlanta, GA  
(7) Chicago, IL  
(8) St. Louis, MO  
(9) Minneapolis, MN  
(10) Kansas City, MO  
(11) Dallas, TX  
(12) San Francisco, CA

### Practice (pp. 161-163)

1. True
2. True
3. False; may not loan out
4. False; reserve requirement or money supply is amount of money in circulation
5. True
6. True
7. False; inflation
8. True
9. False; lower discount rate—more likely or raises discount rate—less likely
10. True
11. True
12. True
13. False; prime interest rate
14. False; inflation—raising discount rate or recession—lowering discount rate
15. True

### Practice (p. 164)

Monetary and Fiscal Policy		
Policy	Fight Inflation	Fight Recession
a. Increase reserve requirements	√	
b. Decrease reserve requirements		√
a. Buy government securities		√
b. Sell government securities	√	
a. Lower the discount rate		√
b. Raise the discount rate	√	
a. Increase government spending		√
b. Reduce Government spending	√	
a. Raise taxes	√	
b. Lower taxes		√

### Practice (pp. 166-168)

1. If a company has total control over market, it can charge whatever it wants to for its good or service. Of course, the consumer could simply refuse to buy the good or service, but if it were something like a telephone service or gasoline, consumers would have little choice but to pay the high cost.



## Keys

2. A public utility is only granted a monopoly because of the physical difficulty of having more than one company offer a utility service. If there were no electrical wires to clutter the environment, then local governments would not have to grant monopolies and different companies could compete for customers.
3. A cashless society would be easier because people would not have to carry cash their savings would always be available to them. On the other hand, we might be more vulnerable to computer criminals who could steal the money in our accounts. This is already a problem but could be a bigger problem in a totally cashless society.

### Practice (p. 169)

1. J
2. F
3. I
4. G
5. H
6. D
7. A
8. B
9. E
10. C

### Practice (p. 170)

1. F
2. H
3. D
4. A
5. B
6. E
7. G
8. C
9. I

### Unit Assessment (pp. 81-86TG)

1. economic institutions
2. pure competition
3. monopoly
4. public utilities
5. monopolistic competition
6. oligopoly
7. sole proprietorship
8. partnership
9. corporation
10. money
11. backing the currency
12. gross domestic product (GDP)
13. The amount of currency issued equals the gross domestic product (GDP) or total value of goods and services produced in a year.
14. When you write a check, you demand that the bank use money from your account to cover it.
15. interest
16. interest
17. commercial banks
18. mortgage loans or loans to buy houses or boats
19. credit unions
20. electronic banking
21. c
22. a
23. d
24. d
25. b
26. b
27. a
28. b
29. c
30. a





## Unit 5: Taxes—Government Revenue

This unit emphasizes how local, state, and national governments collect and use taxes to generate *government revenue* and to pay for services they provide and programs they operate.

### Unit Focus

- government sources of income: sales tax, income tax, excise tax, and property tax
- ways local, state, and federal governments use taxes
- criteria used to determine the composition of taxes
- three types of taxes: *progressive*, *regressive*, and *proportional* taxes

### Suggestions for Enrichment

1. Ask students to identify activities that local, state, and national governments carry out in the United States economy (e.g., provide for national defense, collect Social Security taxes, pay Social Security benefits, build highways, insure quality food and medicines) and write them on the board. Discuss and list the six economic functions of government: maintaining legal and social frameworks (all levels), providing public goods and services (all levels), maintaining competition (state and national), redistributing income (state and national), correcting for externalities (state and national), and stabilizing the economy (national). Ask students to categorize the activities listed on the board under the appropriate government function. Then gather appropriate newspaper headlines and/or allow students to search for newspaper headlines and classify them under the correct government function.

Have students research conservative and liberal views on what role the government should play in the economy. Ask students to take a personal stand on the issue and explain which position makes the most sense to them and why. Use the headlines the students classified and ask students how they think conservatives and liberals would react to these headlines and why.



2. Ask students to name services provided by the federal, local, and state governments. List the services under the appropriate level of government on the chalkboard. Next, ask for the names of the various types of taxes used to finance these services.
3. Have students work in pairs to generate a list of five taxes, identifying each as *progressive*, *regressive*, or *proportional*.
4. Have students use news articles to discuss what the limits on the economic functions of government should be for the United States.
5. Have students discuss the following: What should be the federal government's role in curing America's social ills? What should be left up to individual state governments? What should be left up to free enterprise, individual effort, and the forces of the marketplace, and why?
6. Have students research the state of the United States economy and write down the inflation rate, the unemployment rate, the gross national product (GNP) growth rate, dollar value of exports and imports, and any other information needed to predict what the federal government will do in the upcoming months, and support these predictions using economic statistics.
7. Have groups select a statement about an economic policy, such as one of the following.
  - The federal government should guarantee a minimum annual income to all United States citizens.
  - The federal government should pursue a policy to control inflation.
  - The federal antitrust policy should be strengthened.
  - The United States should have advertising in order to create mass production.
  - The United States should pursue a policy that will strengthen public enterprise.



- The United States should take steps toward achieving a more nearly balanced budget.
- The federal subsidization of agriculture should be eliminated.

Ask the groups to prepare a list of pros and cons pertaining to the economic policy selected and to also devise and conduct a concept inventory poll to assess the extent of agreement or disagreement with each statement using the rating scale below.

+3	=	strongly agree (SA)
+2	=	tend to agree (A)
0	=	undecided (U)
-3	=	strongly disagree (SD)
-2	=	disagree (D)

Have students sit in a circle with two chairs in the center for a pro and a con representative to sit in. Only the students in these chairs may contribute to the discussion. A student wishing to sit in one of the debate chairs may tap a debater; if the debater wishes to relinquish the seat, he or she may return to the circle. After the argument has continued for a set time, have students exchange chairs and debate the other side of the issue. Allow the discussion to continue until no additional benefit appears to be derived.

After the issue has been thoroughly discussed, give the concept inventory poll again and tally the scores to see if a significant change in opinions occurred after the discussion. Then have students critique the issue their group discussed, expressing how their group handled the topic, listing pros and cons, stating their own opinions and how they reached their conclusions, and giving ideas about the benefits of using this type of analysis.

8. Have students use the Internet to research and build a case for or against a controversial economic issue (e.g., the minimum wage, Social Security privatization, health care reform, free trade, deregulation, environmental protection, farm subsidies, the Balanced Budget Amendment, the capital gains tax, adjusting the consumer price index).



9. Have students represent the government, the banking industry, the workforce, the industrial sector, and the trade and services sector in the *EcoSim* interactive simulation (<http://ecedweb.unomaha.edu/ecosim.htm>).
10. Gather information and construct a pie graph on state and local taxes. Students can analyze income, various sources of revenue, and expenditures. The Florida Department of Commerce offers a free publication called the *Florida Handbook*, which offers a wealth of information.
11. Discuss the Lottery, impact fees, etc., as sources of revenue and the benefits and problems with each one.
12. List the state's sources of revenue (e.g., sales tax, property tax, corporate income tax, inheritance tax, intangible taxes, state excise taxes [gas, cigarettes], parimutuel, lottery, fees, license plates, parks and licensing fees). Discuss which ones the students have paid and which they know their families have paid. Estimate a year's expenditures, if possible. Make comparison graphs for several years for the State of Florida.
13. Have students examine the case for privatizing public education.
14. Ask students to assume the role of members on the governor's task force and decide the best way to spend 30 million dollars over three years on poverty. Have students create a spreadsheet to keep track of what a family of four needs in order to survive and how much they need to earn, and assess what the government can do.
15. Using a specified (teacher-designated) year for the Federal Budget, ask students to develop a plan to eliminate the deficit. Have them check outcomes against the current budget.
16. Ask students to identify their position on a controversial economic issue. Have groups of students develop an argument to support an opinion contrary to their own and present the argument to the class.
17. Ask students to list 10 sentences from a news article and exchange lists. Have them write next to each statement whether they think it is fact or opinion. Then have students choose any three of the statements and explain their reasonings.



18. Invite a guest speaker from a special interest group to talk to your class about the group's objectives. Have the speaker explain how the group presents its issues to government and if they have met with victory or defeat.
19. Ask students to recall some of the year's biggest local, national, and world economic events. Which stories affected them directly, indirectly, or not at all?
20. Present students with the following value examination matrix for analyzing perspectives in editorials (or newscasts) on economic topics. Have students record statements or concepts they strongly support (or oppose) and assign these statements a plus or minus value reflecting their opinion. Next have students record the logic behind their assigned value. Point out that there is usually a system of logic or reasoning underlying their values.

<b>Value Examination Matrix for Analyzing Editorials</b>		
Statement or Concept	Assigned Value	Reasoning or Logic behind My Value



21. Present students with the following conflict clarification matrix for analyzing values in editorials or newscasts on economic topics. Have students record a statement they support (or oppose) in the first row of the matrix and assign a plus or minus value reflecting their opinion beside the “Assigned Value” subheading in the second row. In the third row, have students identify the logic behind their assigned value. In the fourth row, have students identify an opposing value for the concept or statement. In the fifth row, ask students to describe the logic behind the opposing value. In the last row, have students describe their conclusion or a new awareness of the topic of the editorial and identify some current events for which this process might be useful.

<b>Conflict Clarification Matrix for Analyzing a Current Issue</b>	
Statement or Concept	
Assigned Value	
Reasoning or Logic behind My Value	
Opposing Value	
Reasoning or Logic behind My Opposing Value	
Conclusion/ Awareness	



22. Discuss the problems associated with applying United States laws to a hypothetical “moon colony.” Discuss how the moon colonists might be compared with the early American colonists. Discuss potential problems and solutions.
23. Present students with the following decision-making matrix to analyze a teacher-generated “decision question” with choices or alternatives to be considered. Have students rank or weight the criteria in the first column using a three-point numeric ranking or weighting system as follows.

3	=	very important
2	=	somewhat important
1	=	not very important

Next, ask students to determine the degree to which each alternative possesses each of the criteria as follows.

3	=	totally
2	=	somewhat
1	=	a little
0	=	not at all

Finally, have students calculate the quality points each alternative has by multiplying the criterion weights by the alternative weights. (In other words, multiply the number in each cell by the number at the beginning of each row and then enter that product in each cell.) Tally the quality points for each alternative and determine which alternative has the most points. (Explain to students that after seeing the results of the matrix process, they may legitimately change the weights they are assigned.) Have students make a decision based on their quantification and explain the reasoning behind their decision.



## Decision-Making Matrix

**Decision Question:**

Criteria	Alternatives		
(rank or weight from 1-3)  <b>Criteria Weight =</b>	alternative weight x criteria weight = quality points  __ x __ = __	__ x __ = __	__ x __ = __
(rank or weight from 1-3)  <b>Criteria Weight =</b>	__ x __ = __	__ x __ = __	__ x __ = __
(rank or weight from 1-3)  <b>Criteria Weight =</b>	__ x __ = __	__ x __ = __	__ x __ = __
(rank or weight from 1-3)  <b>Criteria Weight =</b>	__ x __ = __	__ x __ = __	__ x __ = __
<b>Total of Quality Points</b>	_____	_____	_____

### Criteria Weight

Ranking system:

- 3 = very important
- 2 = somewhat important
- 1 = not very important

### Alternative Weight

The degree to which each alternative possesses each criteria:

- 3 = totally
- 2 = somewhat
- 1 = a little
- 0 = not at all



24. Pick an issue of interest and ask students to find articles. List arguments on both sides of the issue. Draw an imaginary line on the floor, with one end representing “for” and the other “against.” Ask students literally to “take a stand” on the line where they feel they belong, depending on the strength of their belief. (If all students stand on one side, play “devil’s advocate” and stand on the other side.) When everyone is standing along the line, open a debate with spokespersons on each side. The goal is to have students move closer to one point of view. At the end, students may stand anywhere but in the “undecided” middle position. After students are seated, have them write their views on the above issue in an editorial.
25. To review a unit using a *Jeopardy* format, divide topics into five subtopics and students into five groups. Have each group write five questions and answers on index cards with a different color of ink. Assign point values from easiest (100) to hardest (500). Ask students to tape cards on the board under their subtopic. The first group to finish taping cards goes first. Go clockwise from group to group. When a subtopic and point value is chosen by the group, read the question. If correct, assign points; if incorrect, subtract points and put card back on the board. (Students may not choose any questions submitted by their group.)
26. See Appendices A, B, and C for other instructional strategies, teaching suggestions, and accommodations/modifications.





## Unit Assessment

*Circle the letter of the correct answer.*

1. A government receives some of its income by \_\_\_\_\_ .
  - a. running private industries
  - b. providing services to its citizens
  - c. taxing citizens
  - d. the law of supply and demand
  
2. Governments use taxes to \_\_\_\_\_ .
  - a. borrow more money
  - b. pay its expenses
  - c. back its currency
  - d. all of the above
  
3. Governments use \_\_\_\_\_ to run school districts.
  - a. nature taxes
  - b. property taxes
  - c. sales taxes
  - d. income taxes
  
4. Tax dollars received by governments are called \_\_\_\_\_ .
  - a. government economics
  - b. government reserve system
  - c. government factor system
  - d. government revenue
  
5. A(n) \_\_\_\_\_ is the percentage of a person's income paid in taxes.
  - a. effective tax rate
  - b. flexible tax rate
  - c. excise tax rate
  - d. ineffective tax rate



6. If Martina made \$20,000 and paid \$2000 in taxes, her *tax rate* was \_\_\_\_\_ .
- 5 percent
  - 10 percent
  - 0.1 percent
  - 0.5 percent
7. If the *tax rate* a person pays increases as her income increases, the tax is called a(n) \_\_\_\_\_ tax.
- regressive
  - proportional
  - progressive
  - intuitive
8. If the *tax rate* a person pays decreases as her income increases, the tax is called a \_\_\_\_\_ tax.
- regressive
  - proportional
  - progressive
  - intuitive
9. If the *tax rate* stays the same regardless of a person's income, the tax is called a \_\_\_\_\_ rate.
- regressive
  - proportional
  - progressive
  - intuitive
10. Taxes should provide the government with adequate revenue, or bring in enough money to \_\_\_\_\_ .
- meet government needs
  - be understandable
  - provide a profit
  - be flexible



Decide whether each **tax situation** described below is **progressive**, **proportional**, or **regressive**. Write the correct term on the line provided.

- \_\_\_\_\_ 11. Nicholas made \$25,000 in 1991 and paid \$5,000 in taxes. In 1993 he made \$70,000 and paid \$10,000 in taxes.
- \_\_\_\_\_ 12. Amelia discovered that the more money she made, the less she paid in taxes.
- \_\_\_\_\_ 13. Cari earned \$40,000 in 1991 and paid an *effective tax rate* of 15 percent. In 1992 she worked part-time, earned \$22,000, and paid an *effective tax rate* of 13 percent.
- \_\_\_\_\_ 14. Xavier paid an *effective tax rate* of 28 percent on the \$100,000 he earned in 1992. Todd, however, paid an *effective tax rate* of 19 percent on the \$60,000 he earned in 1992.
- \_\_\_\_\_ 15. The presidential candidate proposed that no matter how much money you earned, you would pay the same *effective tax rate*.

Write **True** if the statement is correct. Write **False** if the statement is not correct.

- \_\_\_\_\_ 16. *Sales tax* is paid on all goods and services.
- \_\_\_\_\_ 17. *Property tax* is paid by the owners of land and buildings.
- \_\_\_\_\_ 18. The tax on money earned is called an *income tax*.



- \_\_\_\_\_ 19. The government places an *excise tax* on certain goods to regulate their sale or to raise additional revenue.
- \_\_\_\_\_ 20. According to the government, taxpayers should not be able to understand tax laws.



## Keys

### Practice (pp. 182-183)

1. sales
2. income
3. income
4. excise
5. sales
6. property
7. proportional
8. progressive
9. regressive
10. income

### Practice (p. 184)

1. local; state; federal
2. Answers will vary but may include the following: run schools; repair and build roads; fund defense programs; provide health and social benefits
3. sales tax
4. income tax
5. property tax
6. excise

### Practice (pp. 186-187)

1. The tax Chandra and Dan pay on their food bill is considered regressive because Dan earns less than Chandra but he pays a higher effective tax rate—a higher percentage of his earnings—than Chandra pays.
2. Answers will vary.
3. Answers will vary.
4. Shay's Rebellion brought about a change in the way taxes were collected in the United States.

### Practice (p. 188)

1. E
2. A
3. C
4. D
5. G
6. H
7. B
8. F

### Unit Assessment (pp. 101-104TG)

1. c
2. b
3. b
4. d
5. a
6. b
7. c
8. a
9. b
10. a
11. regressive
12. regressive
13. progressive
14. progressive
15. proportional
16. False
17. True
18. True
19. True
20. False





## Unit 6: Examining the American Economy

This unit focuses on ways of measuring the American economy that help economists develop strategies to improve the *rate of economic growth* and to develop solutions to problems in the economy.

### Unit Focus

- *gross domestic product (GDP), consumer price index (CPI), and gross personal income (GPI)* as measurements of the American economy
- how taxes affect disposable or *net personal income*
- concept of *comparative advantage*
- purpose of tariffs that the United States levies
- pros and cons of NAFTA
- how the unemployment rate is measured and factors that affect it

### Suggestions for Enrichment

1. Ask students working in pairs to collect data on the GNP, GDP, CPI, GPI, trade, or unemployment, and prepare graphs on the information they collect.
2. Have students use the Internet (<http://www.census.gov>) and choose five different regional or national economic indicators from the United States Census Bureau's tables. Ask students to record the percentage change of each chosen indicator for the last two consecutive indicators and determine if the indicator expanded (+) or contracted (-). Have students record the percentage change of similar years for the economy's gross domestic product (GDP) and determine if the GDP expanded or contracted. Ask students to compare the percentage changes of each chosen indicator to the percentage change of the GDP by recording whether the chosen indicator grew more or less than the GDP. Have students group those indicators that grew more than the GDP and then group those indicators that grew less than the GDP. Ask students to develop and record a hypothesis on the economic impact of the indicators that



grew less and a hypothesis on the economic impact of the indicators that grew more. Have students decide whether those five randomly chosen indicators influenced an expansion or contraction in the business cycle, or stabilized it.

Have students create a poster summarizing growth results and allow students to defend their hypotheses. Next have students record whether they thought the economy expanded, contracted, or remained stable during the times compared. Tabulate their hypotheses about the economy and allow students to offer a defense of their hypotheses and argue (if necessary) against other students' hypotheses. Have the class agree on which business cycle phase the economy experienced. Have students write an essay defending their hypothesis on the business cycle, using the five randomly chosen indicators. (Optional: Have students research business cycles of the United States. Have students research the business cycle that existed during the times compared and graph the percentages of their chosen indicators. Then have students graph the GDP of those compared years.)

3. Have students research and calculate gross domestic product (GDP) and GDP per capita the United States and South America. Ask students to show the high and low GDP per capita on a choropleth map of the countries using colors or shading to show differences. Discuss how people's well-being could be overestimated in countries with high GDP per capita and underestimated in countries with low GDP per capita. (A choropleth map depicts quantitative spatial data using shading or color variations.)
4. Have students use the Internet (<http://ecedweb.unomaha.edu/lessons/feogx.htm>) to research and calculate the United States gross domestic product (GDP) and compare it to examples of the GDP of South America. Have students use this information to make inferences about per-capita income.
5. Discuss international economics. Distribute the handout on *Atlantis* on the following pages to the students. Read it aloud and direct them to the Policy Alternatives exercise that follows. Assign the class, in groups of four or five, to complete the exercise. When



groups have completed their tasks, have each one report their rankings and explain their choices. At the conclusion of the activity, each student should select one policy initiative and write a letter to the editor of the *Atlantis Dispatch*, arguing for or against that policy. In their letters, students should use economic reasoning.

After the groups have made their reports, discuss the concepts of trade-offs and opportunity costs. Remind students that they constantly make trade-offs in their own daily lives; likewise, businesses and countries make trade-offs when making economic choices, as in the fictional country of Atlantis.

## Atlantis

**Directions:** Read the information on Atlantis. In your group, discuss the advantages and disadvantages of each policy alternative. Place a check next to those favored by your group.

You are a newly elected political leader of Atlantis, located in Central America. The hope of your administration is to end the repressive policies of the previous dictator and to institute reforms to revitalize a depressed economy. Opposition groups at both ends of the political spectrum are ready to capitalize on any mistakes you make or any ineffectiveness you show in moving the country forward.

The Middle East crisis has already raised the price of oil, and future increases could worsen an already troubled economy. Examine the additional information below about your economy and evaluate your policy alternatives. Rank in order of preference, with a number 1 for the best choice, 2 for second, etc.

Here is some additional information about your country.

This year's projections:

- Per capita income is \$600.
- The economic growth rate is forecast to be -3 percent.



- Fifty-three percent of the land is used for agriculture and 44 percent of the labor force is employed in agriculture.
- Natural resources include timber and fisheries.
- Imports include machinery, chemicals, pharmaceuticals, transportation equipment, clothing, and petroleum.
- Exports include coffee, cotton, seafood, bananas, food, and nonfood agricultural products.

### Policy Alternatives

- \_\_\_\_\_ Put a tax on gasoline to force conservation.
- \_\_\_\_\_ Invest in research for alternative fuels.
- \_\_\_\_\_ Allow the market to adjust prices.
- \_\_\_\_\_ Allocate funds to develop and encourage public transportation.
- \_\_\_\_\_ Seek loans from other countries to finance the building of nuclear power plants.
- \_\_\_\_\_ Nationalize all industries.
- \_\_\_\_\_ Allocate funds for vocational and technical education and training.

Source: Dwight Groce and Abbejean Kehler, "Economic Ripples of World Events," *National Council on Economic Education*, Vol. 9, No. 1, Sept. 1993, 11.

6. Ask students to make a list of 20 imported items in their homes and state what country the items came from. Have students work in groups or as a class to create a graphic organizer of the number of items and their countries of origin.



7. Give students an index card with the name of a country. Have students research that country's exports and trading partners. Have students stand in a circle with the name of his or her country attached to the front of their shirt (blouse). Give one student a ball of string and ask him or her to hold one end of the string and to throw the ball to a trading-partner country and name the export. Have the second student do the same until the string has crisscrossed the circle and each person is holding part of the string. Now have the first student relate some problem that affects his or her export (e.g., a drought hurt the fruit crop and exports have been drastically reduced) and tug on his or her string. Ask each student who feels the tug to raise his or her hand, then tug his or her string. Continue the tugs until the effects "travel around the world" (e.g., Afghanistan-dried fruit-Libya; Libya-oil-Norway; Norway-fish-Sweden; Sweden-wood-West Germany).
8. Have students compile a list of essential resources used in the United States. Have them include whether or not these resources are controlled by other countries and what the United States would do if these supplies were cut off or depleted.
9. Have students research two countries and products they trade with each other. Ask students to explain why these countries chose to produce and trade these products in terms of absolute advantage and comparative advantage.
10. Have students pretend they have just been hired in the international division of a multinational corporation that makes consumer goods. Their first responsibility in this capacity is to become an expert on a specific country where their company is considering building a branch plant for producing a consumer good. Decide upon the specific country and product. Ask students to research the country's economic profile and report to the boss whether a new plant should be built there.
11. Explain that despite the benefits of international trade, many nations restrict the free flow of goods and services through trade barriers, including tariffs and quotas. Discuss how public policies on foreign trade impose costs and benefits on different groups of people and how decisions on these policies reflect economic and political interests. Have students answer the following: Who gains from



import quotas on automobiles? Who loses as a result of import quotas on automobiles? If there are many more automobile buyers than automobile producers, why would the United States government negotiate a deal with Japan to reduce the purchasing power of the United States consumer? Discuss why protectionist legislation supported by special interest groups is often passed by Congress even when it is not in the common interest.

12. Discuss why nations choose to limit trade, different ways to restrict trade (e.g., tariffs, quotas, embargoes, licensing requirement standards, subsidies), and the effects of each of these restrictions, including who benefits and who is hurt by tariffs. Compare these limitations to those imposed on the first 13 colonies by the British Parliament.
13. Have students choose an imported good and take the role of a foreign producer of the product, a domestic importer of the product, a domestic consumer of the product, a domestic producer of the same product, or a worker in a domestic factory producing the same product, and discuss how the passage of a trade restriction will affect his or her life.
14. Have students collect articles from the local newspaper or business magazines on NAFTA or other international trade issues. Form debate teams and ask the groups to present and defend their positions.
15. Have students research and report on recent actions of the United States that restricted international trade.
16. Discuss what effect globalization will have on the dollar and other countries' currencies (e.g., European common currency, North American currency, world currency).
17. Have students gather information about local unemployment. Invite a guest speaker from the local office of the Florida Department of Labor and Employment Security to come to the class and discuss employment issues and trends.
18. Prepare and distribute a sample budget for a family of four that lists monthly income, taxes, and expenditures. Set up a problem so that students can identify fixed and variable expenses or wants and needs and calculate net personal income.



19. Since comparative advantage can be applied to people as well as countries and the skills of a country's residents help to define its comparative advantage, have students discuss the following: Should you do only what you do better than anyone else, following your absolute advantage? Should you do only what you do best, following your comparative advantage? Should you try to be self-sufficient, producing everything?
20. Have students pretend that they have received job offers in Omaha, Denver, and Seattle. Ask students to use the Internet to research important characteristics of these cities (e.g., economic situation in the city; cost of living compared to the salary offers, housing costs and availability, general economic well-being) so they can decide where to go for their new job. (Optional: Have students do the same research, using London, Paris, and New York, which will involve calculating exchange rates.)
21. Invite a representative from a local employment office to visit the class. Students could ask the representative about jobs and educational requirements in today's labor market. (Or they could use a newspaper to find out what kinds of jobs are available in the local area.)
22. Have students use the Internet to research careers and learn who employs persons in this career and salary information. Have students research résumé and cover letter advice. Have them prepare one of each.
23. Ask students what major economic events have been occurring nationally and internationally. Record their responses on the board. Direct students to [www.cagle.com](http://www.cagle.com), selecting the editorial cartoons page. Ask students for opinions about events depicted. Discuss and compare with the list of events previously generated. Have students look at all the pages of editorial cartoons and record depicted events. (They may write a general description if they are not aware of a depicted event.) Compare and contrast generated lists and speculate on the differences in the lists. Have students write about the significance of one of the events depicted. Ask students to predict the next recurring topic of editorial cartoons based on their perception of important current news stories.



24. Ask students to analyze and critique news articles and newscasts on economic issues by comparing and contrasting of content and presentation.
25. Have students use the Internet to link to English-language newspapers worldwide (<http://ecola.com/>) and compare newspaper coverage of the same current economic event in different cities, states, and/or countries.
26. Have students answer who?, what?, where?, when?, why?, how?, concerning an article on the economy from a current newspaper, and discuss its implications. Then have students use their answers to rewrite the article from another viewpoint. Challenge students to find follow-up articles on succeeding days.
27. Have students bring in political cartoons on economic issues and offer their interpretations.
28. Have one student stand up and start a debate or discussion. The student can state an opinion or write it on the board. Then select the next person to speak or write until all students have had a chance.
29. Have students examine a current economic political cartoon and assess its meaning. Who is being lampooned? What point is it making? Is it funny? Why or why not? Then have students critique political cartoons from another era.
30. Have students debate or write a persuasive essay about the most significant economic event from last year.
31. Discuss what people in developed countries should do, if anything, to assist people in less developed countries. Do developed countries have a responsibility to help less developed countries? Why or why not?
32. Have students research and report on the trade and human rights policies of the United States government toward China over the past 10 years.
33. Have students create a flow chart to analyze a specific economic situation.



34. Ask students to identify their position on a controversial issue. Have groups support an opinion contrary to their own and present this argument to class.
35. Have students brainstorm ways to make their opinions heard (e.g., e-mail politicians, write local or national newspapers or journals, inform friends about issues, organize and take part in projects, make posters, speak to groups, go to town meetings, publish own Web page). Ask students to choose two ways to express their positions on the issue. Have students write a brief paragraph on the activities they choose and the outcome of their actions.
36. Discuss how bumper stickers reflect people's opinions. Have students design a bumper sticker addressing a current economic issue.
37. Have students prepare a mural, montage, or series of pictures or drawings that depict the goods available due to the technological revolution of the 1920s (radios, cars, etc.). Try to get prices for the items shown.
38. Show a film such as *The Grapes of Wrath*, *Wild at Heart*, or another film showing life during the Great Depression.
39. Have students interview a person who lived through the Great Depression. Have students ask questions about living conditions—jobs, income, school, entertainment, and race relations. Present the report orally.
40. Have students identify key factors that contributed to the 1929 stock market crash and the Great Depression and how these factors affected the economy and led to the Depression.
41. Have students write a research paper about the impact of the Great Depression on Florida.
42. Have students write an essay describing how the Depression may have affected an imaginary family in a specific part of the United States and how specific government policies designed to counteract the effects of the Depression impacted this family.



43. Ask students to reflect on the events of the late 1920s and early 1930s and whether they think public confidence is important to the health of the economy.
44. Have students compare what happened to city dwellers and farmers during the Great Depression.
45. Have students create a graphic organizer and list at least three different groups of people and the effects the Great Depression had on them. For example: American women, African Americans, Mexican Americans, Native Americans, unionized workers, and urban Americans.
46. Have students create a graphic organizer to show how the Dust Bowl affected the entire country.
47. Ask students to research what President Herbert Hoover said and did in response to the Depression. Have students list the responses on a cluster diagram and then put a plus by the most helpful response and a minus by the least helpful.
48. Have students create an illustration or political cartoon that depicts an aspect of life that was radically changed by the 1929 stock market crash with a caption that expresses the change.
49. Have students create a collage representing life during the Great Depression.
50. Have students research and compare how liberals and conservative critics differed in their opposition to the New Deal.
51. Discuss why the Social Security Act might be considered the most important achievement of the New Deal. Discuss issues with Social Security as it currently exists and ask students to collect and summarize current news articles about the topic.
52. Discuss public reaction to movies and radio programs during the Great Depression.
53. Ask students to create a four-column chart to list three important movie stars, radio performers, painters, and writers from the 1930s and then tell what contributions each artist made during the Great Depression.



54. Have students find the written lyrics to a song from the 1930s and analyze how these lyrics describe events or personalities during the Great Depression.
55. Discuss significant progress women have made economically from the 1930s to now.
56. Discuss what federal programs instituted in the 1930s, and later discontinued, might be of use to the nation today.
57. Have students examine diaries and read first-hand experiences about the Great Depression at <http://ipad.mcsc.k12.in.us/mhs/social/madedo/>.
58. Invite a bank employee to relate problems of the banks in the 1930s to conditions today (or take a tour of a local bank to see it in operation).
59. Have students survey their parents to learn how many have used the FHA mortgage plan and some of the benefits provided by this program today.
60. Have students research the Civilian Conservation Corps (CCC) and Public Works Administration (PWA) to determine whether these programs could ease the unemployment problems in the country today.
61. Ask students to briefly outline what a chief economic advisor in 1947 would say to President Truman, who was concerned with how the discontinuation of wartime production and spending might cause the American economy to slide back into depression.
62. Invite a speaker from a local investment or stock company to discuss the problems of the stock market in the 1930s and now.
63. Ask students to relate the problems of unemployed and homeless persons in 1930 to those today. Students may present reports orally or in writing. They might gather information by reading papers, watching news programs, and interviewing managers of homeless shelters.



64. Have students role-play individual representatives of several economic groups: farmers, unskilled workers, or businessmen. Debate whether direct government relief is more effective than “rugged individualism.”
65. Prepare photocopies of slides depicting the Great Depression with captions of each picture on the back. Assign one slide for each group of three and give groups several minutes to write dialogue for their slide and present it to the class.
66. Have students discuss what it would have been like to be a young teen during the Great Depression.
67. Have students research the economic effects of the Depression on their community using newspapers, official employment records, or interviews.
68. Have students make a chart of groups of European immigrants during this time period. Ask students to include dates, main reasons for immigrating, where different groups settled, their financial status, and types of communities they developed.
69. Have students find articles about new immigrants to the United States. Discuss what life might be like for these new Americans: new language, new schools, new jobs. What day-to-day problems might they face? Have students write a letter to a new American discussing cultural changes to expect and offer suggestions on how to help him or her adjust.
70. Arrange for recent immigrants to speak to the class about what it was like to leave one country for another or invite a representative from a local immigration department to talk about challenges faced by new immigrants.
71. Ask students to create collages for teaching non-Americans about American culture (e.g., attitudes, beliefs, behaviors of various groups of people).



72. Have students role-play rationing in the United States during World War II. Have them make a list of items which might be valuable today, but in short supply. Set up a system for rationing the items. Use the system for a week. Find out if a “black” market develops. Have students discuss their behaviors.
73. Have students imagine themselves as a woman with two children in 1946 who had taken a factory job during the war and was then laid off when men came home from World War II. Ask students to respond in a diary to this situation.
74. Have students prepare a bulletin board that shows gains by minorities and women during World War II.
75. Ask students to interview five people who lived in the 1950s about inventions in this period that had an impact on the lifestyle and culture of the American people. Ask students to write questions about the economic impact, cultural impact, and political impact of these inventions. After students have gathered their classmates’ responses, ask them to draw conclusions about the impact of technological change in the 1950s.
76. Ask students to assume the role of a feature writer in 1957 and write a piece on how and why the lifestyle and economic situation of a local resident has changed in the past 20 years.
77. Have students research the amount of money spent by different countries on national defense and security. Ask students to illustrate their findings graphically. Have students compare countries and discuss why amounts spent on defense are so varied.
78. Have students research and graph how the United States government allocates and spends its money for defense and national security.
79. Women have made gains in 20<sup>th</sup> century industrialized countries. Ask students to list questions they would ask women in other countries about women’s roles in that society and what predictions they would make about the future of women in that country.



80. Have students make a chart listing changes or improvements experienced by women in the 20<sup>th</sup> century. Include the following categories: workplace, political status, fashion, interests, education, legislation, and expectations.
81. Have students poll their classmates about the following topics: their interest in attaining leadership positions, in running for political office, in pursuing traditionally male lines of work and traditionally female lines of work, and in traditionally male and female hobbies. Have students analyze the data for differences among male and female responses. Ask students to conduct follow-up interviews to examine reasons behind responses.
82. Have students examine a caricature of a popular political figure in the field of economics and compare it with a photograph of that person to see what is being exaggerated. Discuss whether the caricature is positive or negative.
83. Give students a political cartoon dealing with economics without a caption and ask them to write one.
84. See Appendices A, B, and C for other instructional strategies, teaching suggestions, and accommodations/modifications.



## Unit Assessment

Circle the letter of the correct answer.

1. All of the following are used to measure *economic growth* except \_\_\_\_\_ .
  - a. interdependence and tariff rates
  - b. gross national product
  - c. gross personal income
  - d. consumer price index
  
2. The *gross domestic product* (GDP) of a country is the measurement of the dollar value of all \_\_\_\_\_ .
  - a. goods and services exported within one year
  - b. consumer goods bought within one year
  - c. consumer and capital goods bought within one year
  - d. goods and services produced in one year within the borders of that country
  
3. The government gathers figures for the GDP from \_\_\_\_\_ .
  - a. personal income tax forms
  - b. leading corporations and small businesses
  - c. government revenue figures
  - d. reports on exported goods
  
4. The *per capita* GDP refers to the gross domestic product \_\_\_\_\_ .
  - a. per business
  - b. per person
  - c. per business and per person
  - d. per corporation
  
5. An increase in the *per capita* GDP usually means that the economy is \_\_\_\_\_ .
  - a. growing
  - b. shrinking
  - c. in a depression
  - d. in a recession



6. *Prosperity* describes periods of growth in personal income, whereas \_\_\_\_\_ describes a drop in personal income.
- inflation
  - interdependence
  - recession
  - a tariff
7. A shrinking economy, high unemployment, and widespread loss of income are characteristics of a \_\_\_\_\_ .
- period of prosperity
  - depression
  - period of inflation
  - consumer price index
8. \_\_\_\_\_ is a measurement of how much money people have after paying taxes.
- The consumer price index
  - Gross personal income
  - Net personal income
  - Per capita GDP
9. In the vocabulary of economics, the phrase “cost of living” describes what it costs for a person to buy \_\_\_\_\_ .
- health care
  - a house
  - needed and wanted goods to live a wealthy lifestyle
  - needed and wanted goods to live a pleasant lifestyle
10. The \_\_\_\_\_ shows changes in the *cost of living*.
- comparative advantage
  - per capita GDP
  - gross personal income
  - consumer price index



Use the list below to complete the following statements.

<b>comparative</b>	<b>international trade</b>
<b>exports</b>	<b>NAFTA</b>
<b>imports</b>	<b>tariff</b>
<b>interdependence</b>	<b>transportation</b>

11. Before the 20<sup>th</sup> century, most of the goods people bought were grown or produced nearby. In the 20<sup>th</sup> century, improved \_\_\_\_\_ has made it possible to ship goods long distances.
12. Raw materials and finished goods from one country are now needed by people in other countries. The notion that countries depend on one another is called \_\_\_\_\_.
13. Trade between countries is called \_\_\_\_\_.
14. Products that a country trades to other countries are called \_\_\_\_\_.
15. Products that a country buys from other countries are called \_\_\_\_\_.
16. Countries tend to produce goods that give them a \_\_\_\_\_ advantage over other countries.



17. Countries may charge a \_\_\_\_\_ on certain goods that enter from other countries. These taxes help to protect certain industries and jobs in the receiving country.
18. \_\_\_\_\_ is a trade agreement recently signed by the United States, Canada, and Mexico.

Write **True** if the statement is correct. Write **False** if the statement is not correct.

- \_\_\_\_\_ 19. A downturn in the GDP, GPI, and CPI often means that many people are unemployed.
- \_\_\_\_\_ 20. To be considered *unemployed* by the government, a worker must have left his or her old job through no fault of his or her own.
- \_\_\_\_\_ 21. After a certain number of weeks without a job, a person will no longer be counted as *unemployed* by the government.
- \_\_\_\_\_ 22. There are usually fewer people unemployed than are indicated by government statistics.
- \_\_\_\_\_ 23. *Frictional unemployment* usually follows a pattern of seasonal shifts that eventually corrects itself.
- \_\_\_\_\_ 24. In *structural unemployment*, a person's job has been eliminated because it is no longer valuable or necessary.
- \_\_\_\_\_ 25. *Cyclical unemployment* results from a downturn in the economy. It is the easiest type of unemployment to reverse.



## Keys

### Practice (pp. 199-200)

1. 1997; 1986
2. about \$10,000
3. The GPI has increased.
4. Answers will vary but may include the following: The GPI would increase to about \$30,000.

### Practice (p. 201)

1. five years
2. 1972
3. rapid growth
4. Answers will vary but may include the following: The CPI will increase to about 180 or greater.

### Practice (pp. 208-209)

1. Install more ceiling fans; you have a comparative advantage in installing fans but not in bookkeeping.
2. a tax on imported goods
3. to protect their own industries and jobs
4. labor is cheaper in Mexico
5. The United States has more capital and experience in capital-intensive products.
6. raw materials available and the skills and education of people
7. huge deposits of iron ore and coal, capital resources of money and machinery, and the labor or workers
8. oil
9. education
10. Answers will vary.

### Practice (pp. 210-211)

1. transportation
2. interdependence
3. international
4. imports
5. exports
6. comparative

7. resources
8. Canada; Mexico
9. tariffs

### Practice (pp. 218-219)

1. 5 percent
2. unemployment rate decreases as the age of males increase
3. males and females 45 to 64 years old
4. males ages 16 to 19; females ages 16 to 19

### Practice (p. 220)

1. frictional
2. frictional
3. cyclical
4. structural
5. frictional
6. structural
7. cyclical
8. none apply
9. none apply

### Practice (pp. 222-223)

1. If net personal income dropped, I would make fewer mowers because people would have less money to spend. If net personal income rose, I would make more money because people would have more money to spend on mowers.
2. Computers have affected structural unemployment in two ways: (1) Computers have eliminated many jobs, and (2) some people cannot or will not learn to use computers now necessary to perform their jobs.
3. If a person's GPI rose and his or her taxes rose an equal amount, his or her net personal income would remain the same.



## Keys

- Answers will vary but may include the following: some industries couldn't compete using their old equipment; farmers produced more than they could sell at a profit; availability of easy credit enabled people to go into debt; too little money earned and in the hands of the working people who were the majority of the consumers.

### Practice (pp. 224-225)

- recession
- consumer price index (CPI)
- gross domestic product (GDP)
- prosperity
- depression
- inflation
- comparative advantage
- gross personal income (GPI)
- disposable personal income (GPI)
- gross national product (GNP)

### Practice (p. 226)

- G
- B
- C
- E
- D
- A
- F
- H

### Unit Assessment (pp. 121-124TG)

- a
- d
- b
- b
- a
- c
- b
- c
- d
- b

- transportation
- interdependence
- international trade
- exports
- imports
- comparative
- tariff
- NAFTA
- True
- True
- False
- False
- True
- True
- True

# Appendices



## Instructional Strategies

Classrooms include a diverse population of students. The educator's challenge is to structure the learning environment and instructional material so that each student can benefit from his or her unique strengths. Instructional strategies adapted from the Florida Curriculum Frameworks are provided on the following pages as examples that you might use, adapt, and refine to best meet the needs of your students and instructional plans.

### **Cooperative Learning Strategies—to promote individual responsibility and positive group interdependence for a given task.**

**Jigsawing:** each student becomes an “expert” on a topic and shares his or her knowledge so eventually all group members know the content.

Divide students into groups and assign each group member a numbered section or a part of the material being studied. Have each student meet with the students from the other groups who have the same number. Next, have these new groups study the material and plan how to teach the material to members of their original groups. Then have students return to their original groups and teach their area of expertise to the other group members.

**Corners:** each student learns about a topic and shares that learning with the class (similar to jigsawing).

Assign small groups of students to different corners of the room to examine and discuss particular topics from various points of view. Have corner teams discuss conclusions, determine the best way to present their findings to the class, and practice their presentation.

**Think, Pair, and Share:** students develop their own ideas and build on the ideas of other learners.

Have students reflect on a topic and then pair up to discuss, review, and revise their ideas. Then have the students share their ideas with the class.

**Debate:** students participate in organized presentations of various viewpoints.

Have students form teams to research and develop their viewpoints on a particular topic or issue. Provide structure in which students can articulate their viewpoints.

**Brainstorming—to elicit ideas from a group.**

Have students contribute ideas about a topic. Accept all contributions without initial comment. After a list of ideas is finalized, have students categorize, prioritize, and defend their contributions.

**Free Writing—to express ideas in writing.**

Allow students to reflect on a topic, then have them respond in writing to a prompt, a quotation, or a question. It is important that they keep writing whatever comes to mind. They should not self-edit as they write.

**K–W–L (Know–Want to Know–Learned)—to provide structure for students to recall what they know about a topic, deciding what they want to know, and then after an activity, list what they have learned and what they still want or need to learn.**

Before engaging in an activity, list on the board under the heading “What We Know” all the information students know or think they know about a topic. Then list all the information the students want to know about a topic under, “What We Want to Know.” As students work, ask them to keep in mind the information under the last list. After completing the activity, have students confirm the accuracy of what was listed and identify what they learned, contrasting it with what they wanted to know.

**Learning Log—to follow-up K–W–L with structured writing.**

During different stages of a learning process, have students respond in written form under three columns:

“What I Think”

“What I Learned”

“How My Thinking Has Changed”

**Interviews—to gather information and report.**

Have students prepare a set of questions in interview format. After conducting the interview, have students present their findings to the class.

**Dialogue Journals—to provide a way to hold private conversations with the teacher or share ideas and receive feedback through writing (this activity can be conducted by e-mail).**

Have students write on topics on a regular basis. Respond in conversational writing to their writings with advice, comments, and observations.

**Continuums—to indicate the relationships among words or phrases.**

Using a selected topic, have students place words or phrases on the continuum to indicate a relationship or degree.

**Mini-Museums—to create a focal point.**

Have students work in groups to create exhibits that represent, for example, the setting of a novel.

**Models—to represent a concept in simplified form.**

Have students create a product, like a model of a city, or a representation of an abstract idea, like a flow chart of governmental procedures.

**Reflective Thinking—to reflect on what was learned after a lesson.**

Have students write in their journals about a concept or skill they have learned, comment on the learning process, note questions they still have, and describe their interest in further exploration of the concept or skill. Or have students fill out a questionnaire addressing such questions as: Why did you study this? Can you relate it to real life?

**Problem Solving—to apply knowledge to solve problems.**

Have students determine a problem, define it, ask a question about it, and then identify possible solutions to research. Have them choose a solution and test it. Finally, have students determine if the problem has been solved.

**Predict, Observe, Explain—to predict what will happen in a given situation when a change is made.**

Ask students to predict what will happen in a given situation when some change is made. Have students observe what happens when the change is made and discuss the differences between their predictions and the results.

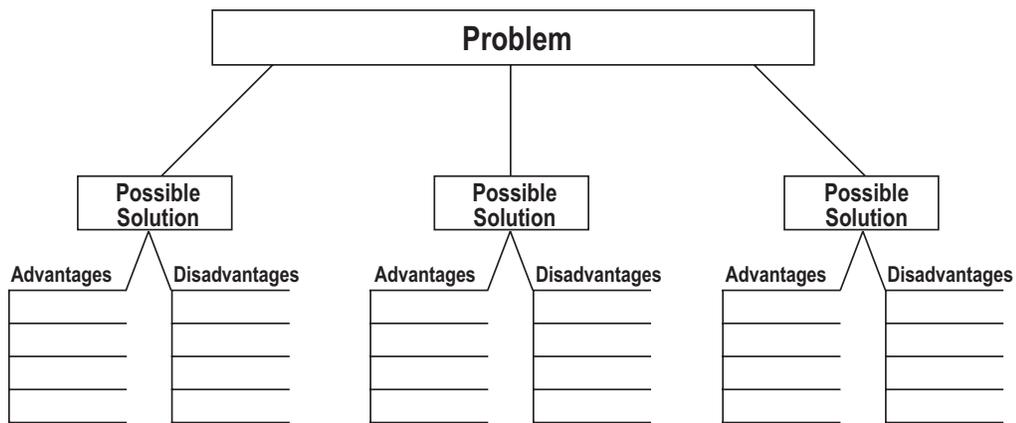
**Literature, History, and Storytelling—to bring history to life through the eyes of a historian, storyteller, or author, revealing the social context of a particular period in history.**

Have students locate books, brochures, and tapes relevant to a specific period in history. Assign students to prepare reports on the life and times of famous people during specific periods of history. Ask students to write their own observations and insights afterwards.

**Graphic Organizers—to transfer abstract concepts and processes into visual representations.**

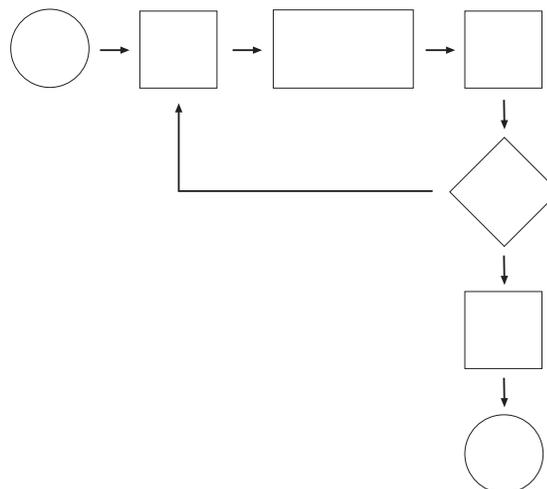
**Consequence Diagram/Decision Trees:** illustrates real or possible outcomes of different actions.

Have students visually depict outcomes for a given problem by charting various decisions and their possible consequences.



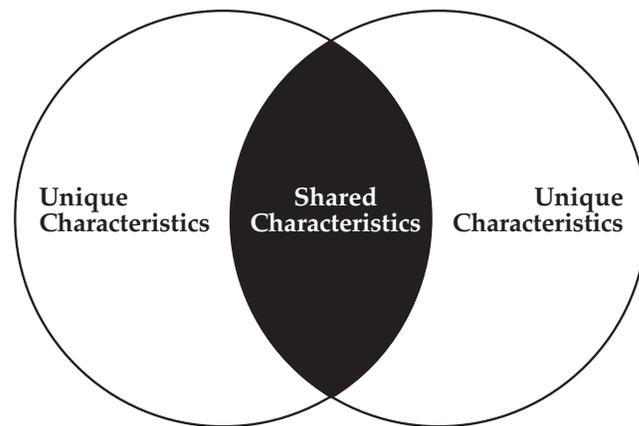
**Flowchart:** depicts a sequence of events, actions, roles, or decisions.

Have students structure a sequential flow of events, actions, roles, or decisions graphically on paper.



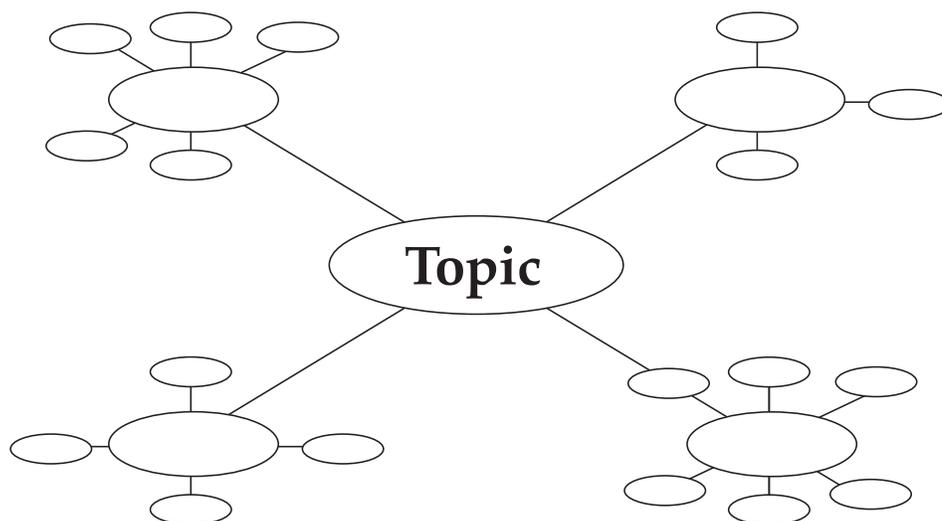
**Venn Diagram:** creates a visual analysis of the similarities and differences among, for example, two concepts, objects, events, or people.

Have students use two overlapping circles to list unique characteristics of two items or concepts (one in the left part of the circle and one in the right); in the middle have them list shared characteristics.



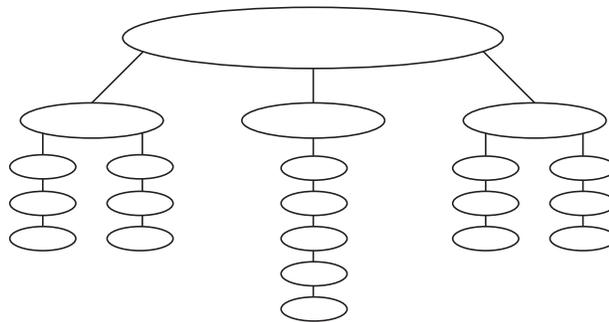
**Webbing:** provides a picture of how words or phrases connect to a topic.

Have students list topics and build a weblike structure of words and phrases.



**Concept Mapping:** shows relationships among concepts.

Have students select a main idea and identify a set of concepts associated with the main idea. Next, have students rank the concepts in related groups from the most general to most specific. Then have students link related concepts with verbs or short phrases.



**Portfolio—to capture the extent of students’ learning within the context of the instruction.**

Elements of a portfolio can be stored in a variety of ways; for example, they can be photographed, scanned into a computer, or videotaped. Possible elements of a portfolio could include the following selected student products:

<p><b>Written Presentations</b></p> <ul style="list-style-type: none"> <li>• expressive (diaries, journals, writing logs)</li> <li>• transactional (letters, surveys, reports, essays)</li> <li>• poetic (poems, myths, legends, stories, plays)</li> </ul>		
<p><b>Representations</b></p> <ul style="list-style-type: none"> <li>• maps</li> <li>• graphs</li> <li>• dioramas</li> <li>• models</li> <li>• mock-ups</li> <li>• displays</li> <li>• bulletin boards</li> <li>• charts</li> <li>• replicas</li> </ul>	<p><b>Oral Presentations</b></p> <ul style="list-style-type: none"> <li>• debates</li> <li>• addresses</li> <li>• discussions</li> <li>• mock trials</li> <li>• monologues</li> <li>• interviews</li> <li>• speeches</li> <li>• storytelling</li> <li>• oral histories</li> <li>• poetry readings</li> <li>• broadcasts</li> </ul>	<p><b>Visual and Graphic Arts</b></p> <ul style="list-style-type: none"> <li>• murals</li> <li>• paintings</li> <li>• storyboards</li> <li>• drawings</li> <li>• posters</li> <li>• sculpture</li> <li>• cartoons</li> <li>• mobiles</li> </ul>
<p><b>Performances</b></p> <ul style="list-style-type: none"> <li>• role playing, drama</li> <li>• dance/movement</li> <li>• reader’s theater</li> <li>• mime</li> <li>• choral readings</li> <li>• music (choral and instrumental)</li> </ul>	<p><b>Media Presentations</b></p> <ul style="list-style-type: none"> <li>• films</li> <li>• slides</li> <li>• photo essays</li> <li>• print media</li> <li>• computer programs</li> <li>• videotapes and/or audiotapes</li> </ul>	

**Learning Cycle—to engage in exploratory investigations, construct meanings from findings, propose tentative explanations and solutions, and relate concepts to our lives.**

Have students explore a concept, behavior, or skill with a hands-on experience and then explain their exploration. Through discussion, have students expand the concept or behavior by applying it to other situations.

**Field Experience—to use the community as a laboratory for observation, study, and participate.**

Before the visit, plan and structure the field experience with the students. Engage in follow-up activities after the trip.

## Teaching Suggestions

The standards and benchmarks of the Sunshine State Standards are the heart of the curriculum frameworks and reflect Florida's efforts to reform and enhance education. The following pages provide samples of ways which students could demonstrate achievement of specific benchmarks through the study of Economics.

### Time, Continuity, and Change

1. Have students analyze the failure of institutions over time to adequately confront serious problems resulting from the relocation of peoples. (SS.A.1.4.2.a)
2. Have students analyze a major global trend, such as immigration, by identifying connections among individuals, ideas, and events within and across a region or a span of time. (SS.A.1.4.2.b)
3. Have students examine foreign newspapers or magazines (in translation) that report on the same event. (SS.A.1.4.3.a)
4. Have students research and report on alternative systems of recording time (e.g., Egyptian, Indian, Mayan, Muslim, and Jewish), and the astronomical systems upon which they are based (e.g., solar, lunar, or semilunar). Have students provide an example for comparison, such as how the same astronomical event might have been recorded in each system. (SS.A.1.4.4.a)
5. Have students choose one of the events listed below as a topic for a research paper. (SS.A.3.4.9.a)
  - the causes and effects of World War I and World War II
  - the Russian Revolution
  - the rise, aggression, and human costs of totalitarian regimes in the Soviet Union, German, Italy, and Japan
  - the political, social, and economic impact of world wide depression in the 1930s
  - the Nazi Holocaust and other genocides

6. Have students select a major political, military, or economic event since the 1950s (such as the development of atomic power, the rise of Germany and Japan as economic powers, revolutionary movements, or the independence of various African and Asian countries) and research its impact on international relations. (SS.A.3.4.10.a)
  
7. Have students choose one of the following economic, political, and/or cultural effects of the Industrial Revolution listed below and present an oral report that describes how it changed life around the turn of the century and how it continues to affect life in our society now. (SS.A.5.4.1.a)
  - new inventions and industrial production methods
  - new technologies in transportation and communication
  - incentives for capitalism and free enterprise
  - the impact of immigration on the labor supply and the movement to organize workers
  - government policies affecting trade, monopolies, taxation, and the money supply
  - expansion of international markets
  - the impact of industrialism, urbanization, and immigration on American society
  
8. Have students select one of the topics listed below and present an oral report in which they explain the topic's significance to society in the 1920s and 1930s and present society. (SS.A.5.4.4.a)
  - music, dance, and entertainment
  - the Harlem Renaissance
  - the automobile
  - prohibition, speakeasies, and bootlegging
  - women's suffrage

9. Have students identify key factors that contributed to the 1929 Stock Market Crash and the Great Depression and explain how these factors affected the economy leading up to the Depression. (SS.A.5.4.4.b)
10. Have students write an essay describing how the Depression affected a family (real or imaginary) in a specific part of the United States and explaining how specific government policies designed to counteract the effects of the Depression impacted this family. (SS.A.5.4.4.c)
11. Have students write a research paper about the impact of the Great Depression on the state of Florida (e.g., in terms of social, political, economic, environmental, or cultural impacts), present their findings in an oral presentation, and field questions from the class. (SS.A.5.4.4.d)

### **People, Places, and Environments**

1. Have students examine the characteristics of regions that have led to regional labels and how they have changed over time and present their findings to the class. (SS.B.2.4.1.a)
2. Have students write a short report on how regional landscapes reflect the cultural characteristics of their inhabitants as well as historical events. (SS.B.2.4.1.b)
3. Have students discuss how technological advances have led to increasing interaction among regions. (SS.B.2.4.1.c)
4. Have pairs of students research some of the consequences of mining the rutile sands along the coast of eastern Australia near the Great Barrier Reef and develop some possible solutions to this problem. (SS.B.2.4.7.a)
5. Have small groups of students discuss some of the consequences of cutting the rain forests in Indonesia in response to a demand for lumber in foreign markets and brainstorm possible solutions to this problem. (SS.B.2.4.7.b)

## **Government and the Citizen**

Have students argue for or against the notion that poverty, unemployment, and urban decay limit both political and economic rights. (SS.C.2.4.6.a)

## **Production, Distribution, and Consumption**

1. Have students interview people in different jobs and/or career paths and determine the important factors motivating each person to choose his or her particular job or career path. Then, using this information, have students explain how various financial and nonfinancial factors affect a person's occupational choice. (SS.D.1.4.1.a)
2. Have students explain the differences between the neighborhood fire department and the neighborhood grocery store in terms of goods and services provided, ownership, and the role of profits. (SS.D.1.4.1.b)
3. Have small groups of students create a possible credit history of an individual. Have each member of the group take this credit history and interview some type of loan officer (e.g., a loan officer at a bank or a finance manager at a furniture store) to determine the effects that a credit history can have on future credit. Then, have the group compare their findings and draw general conclusions about the role of the credit history. (SS.D.1.4.2.a)
4. Have students describe how setting the relative pay for dentist and for electricians would be handled in command, tradition-based, and market economies. Have the students then discuss how each of these economic systems works to affect goal of its society such as freedom, equity, and security. (SS.D.1.4.1.a)
5. Have students prepare a report explaining the relationships between price and supply and price and demand for the following situation: how will producers of car tires change their supply if 1) new technology reduces the cost of making tires; 2) the price of tractor tires rises sharply; 3) the price for raw materials for making tires (e.g., rubber) goes up? (SS.D.2.4.2.a)

6. Using the following scale—A = very positive; B = somewhat positive; C = neutral; D = somewhat negative; E = very negative—have students evaluate the effect the following policy changes would have on the economy of Florida and on the economy of Kentucky.
- federal government greatly increases military spending
  - federal government decreases aid to schools in large urban areas
  - federal government stops tobacco exports to another country
  - federal government loosens restrictions on illegal immigrant workers

Have students explain their reasoning for the rating and describe the effects of these policy changes on the economy of Florida and Kentucky. (SS.D.2.4.3.a)

7. Have small groups of students write a report explaining the effects on the national economy, on big business, and on the region they live in, if the government raises taxes and reduces spending, while at the same time the Federal Reserve sells securities in the open market. (SS.D.2.4.2.a)
8. Have students explain the term “stagflation” and how stagflation differs from the traditional business cycle. (SS.D.2.4.5.a)
9. Have students identify, explain, and give an example of several common flaws in the use of the Consumer Price Index as a measure of how inflation affects individual households. (SS.D.2.4.5.b)
10. Have small groups of students identify three items that are not typically produced in the United States (e.g., bananas, wool, and coffee), even though they could be produced here. Have each group develop and defend an explanation for why the United States should continue to import or begin to produce the items here, using economic terms and concepts (e.g., opportunity costs, relative prices, and absolute advantage). (SS.D.2.4.6.a)



## **Accommodations/Modifications for Students**

The following accommodations/modifications may be necessary for students with disabilities and other students with diverse learning needs to be successful in school and any other setting. Specific strategies may be incorporated into each student's individual educational plan (IEP) or 504 plan, or academic improvement plan (AIP) as deemed appropriate.

### **Environmental Strategies**

- Provide preferential seating. Seat student near someone who will be helpful and understanding.
- Assign a peer tutor to review information or explain again.
- Build rapport with student; schedule regular times to talk.
- Reduce classroom distractions.
- Increase distance between desks.
- Allow student to take frequent breaks for relaxation and small talk, if needed.
- Accept and treat the student as a regular member of the class. Do not point out that the student is an ESE student.
- Remember that student may need to leave class to attend the ESE support lab.
- Additional accommodations may be needed.

### **Organizational Strategies**

- Help student use an assignment sheet, notebook, or monthly calendar.
- Allow student additional time to complete tasks and take tests.
- Help student organize notebook or folder.
- Help student set timelines for completion of long assignments.
- Help student set time limits for assignment completion.
- Ask questions that will help student focus on important information.
- Highlight the main concepts in the book.
- Ask student to repeat directions given.
- Ask parents to structure study time. Give parents information about long-term assignments.
- Provide information to ESE teachers and parents concerning assignments, due dates, and test dates.
- Allow student to have an extra set of books at home and in the ESE classroom.
- Additional accommodations may be needed.

## **Motivational Strategies**

- Encourage student to ask for assistance when needed.
- Be aware of possibly frustrating situations.
- Reinforce appropriate participation in your class.
- Use nonverbal communication to reinforce appropriate behavior.
- Ignore nondisruptive inappropriate behavior as much as possible.
- Allow physical movement (distributing materials, running errands, etc.).
- Develop and maintain a regular school-to-home communication system.
- Encourage development and sharing of special interests.
- Capitalize on student's strengths.
- Provide opportunities for success in a supportive atmosphere.
- Assign student to leadership roles in class or assignments.
- Assign student a peer tutor or support person.
- Assign student an adult volunteer or mentor.
- Additional accommodations may be needed.

## **Presentation Strategies**

- Tell student the purpose of the lesson and what will be expected during the lesson (e.g., provide advance organizers).
- Communicate orally and visually, and repeat as needed.
- Provide copies of teacher's notes or student's notes (preferably before class starts).
- Accept concrete answers; provide abstractions that student can handle.
- Stress auditory, visual, and kinesthetic modes of presentation.
- Recap or summarize the main points of the lecture.
- Use verbal cues for important ideas that will help student focus on main ideas. ("The next important idea is....")
- Stand near the student when presenting information.
- Cue student regularly by asking questions, giving time to think, then calling student's name.
- Minimize requiring the student to read aloud in class.
- Use memory devices (mnemonic aids) to help student remember facts and concepts.
- Allow student to tape the class.
- Additional accommodations may be needed.

## Curriculum Strategies

- Help provide supplementary materials that student can read.
- Provide *Parallel Alternative Strategies for Students (PASS)* materials.
- Provide partial outlines of chapters, study guides, and testing outlines.
- Provide opportunities for extra drill before tests.
- Reduce quantity of material (reduce spelling and vocabulary lists, reduce number of math problems, etc.).
- Provide alternative assignments that do not always require writing.
- Supply student with samples of work expected.
- Emphasize high-quality work (which involves proofreading and rewriting), not speed.
- Use visually clear and adequately spaced work sheets. Student may not be able to copy accurately or fast enough from the board or book; make arrangements for student to get information.
- Encourage the use of graph paper to align numbers.
- Specifically acknowledge correct responses on written and verbal class work.
- Allow student to have sample or practice test.
- Provide all possible test items to study and then student or teacher selects specific test items.
- Provide extra assignment and test time.
- Accept some homework papers dictated by the student and recorded by someone else.
- Modify length of outside reading.
- Provide study skills training and learning strategies.
- Offer extra study time with student on specific days and times.
- Allow study buddies to check spelling.
- Allow use of technology to correct spelling.
- Allow access to computers for in-class writing assignments.
- Allow student to have someone edit papers.
- Allow student to use fact sheets, tables, or charts.
- Tell student in advance what questions will be asked.
- Color code steps in a problem.
- Provide list of steps that will help organize information and facilitate recall.
- Assist in accessing taped texts.
- Reduce the reading level of assignments.
- Provide opportunity for student to repeat assignment directions and due dates.
- Additional accommodations may be needed.

## Testing Strategies

- Allow extended time for tests in the classroom and/or in the ESE support lab.
- Provide adaptive tests in the classroom and/or in the ESE support lab (reduce amount to read, cut and paste a modified test, shorten, revise format, etc.).
- Allow open book and open note tests in the classroom and/or ESE support lab.
- Allow student to take tests in the ESE support lab for help with reading and directions.
- Allow student to take tests in the ESE support lab with time provided to study.
- Allow student to take tests in the ESE support lab using a word bank of answers or other aid as mutually agreed upon.
- Allow student to take tests orally in the ESE support lab.
- Allow the use of calculators, dictionaries, or spell checkers on tests in the ESE support lab.
- Provide alternative to testing (oral report, making bulletin board, poster, audiotape, demonstration, etc.).
- Provide enlarged copies of the answer sheets.
- Allow copy of tests to be written upon and later have someone transcribe the answers.
- Allow and encourage the use of a blank piece of paper to keep pace and eliminate visual distractions on the page.
- Allow use of technology to check spelling.
- Provide alternate test formats for spelling and vocabulary tests.
- Highlight operation signs, directions, etc.
- Allow students to tape-record answers to essay questions.
- Use more objective items (fewer essay responses).
- Give frequent short quizzes, not long exams.
- Additional accommodations may be needed.

## Evaluation Criteria Strategies

- Student is on an individualized grading system.
- Student is on a pass or fail system.
- Student should be graded more on daily work and notebook than on tests (e.g., 60 percent daily, 25 percent notebook, 15 percent tests).
- Student will have flexible time limits to extend completion of assignments or testing into next period.
- Additional accommodations may be needed.

# Correlation to Sunshine State Standards

## Course Requirements for Economics Course Number 2102310

These requirements include, but are not limited to, the benchmarks from the Sunshine State Standards that are most relevant to this course. Benchmarks correlated with a specific course requirement may also be addressed by other course requirements as appropriate.

<b>1. Demonstrate understanding of the basic economic problems and questions that must be answered by every society.</b>		
<b>Benchmarks</b>	<b>Addressed in Unit(s)</b>	<b>Addressed in Class on Date(s)</b>
<b>SS.A.1.4.2</b> Identify and understands themes in history that cross scientific, economic, and cultural boundaries.	1, 2	
<b>SS.D.1.4.1</b> Understand how many financial and nonfinancial factors (e.g., cultural traditions, profit, and risk) motivate consumers, producers, workers, savers, and investors to allocate their scarce resources differently.	1, 2, 3	

<b>2. Classify economic systems in terms of how a society answers the basic economic questions.</b>		
<b>Benchmarks</b>	<b>Addressed in Unit(s)</b>	<b>Addressed in Class on Date(s)</b>
<b>SS.D.2.4.1</b> Understand how wages and prices are determined in market, command, tradition-based, and mixed economic systems and how economic systems can be evaluated by their ability to achieve broad social goals such as freedom, efficiency, equity, security, and growth.	2, 3	

<b>3. Demonstrate understanding of how economic and government institutions apply basic economic concepts and the possible results.</b>		
<b>Benchmarks</b>	<b>Addressed in Unit(s)</b>	<b>Addressed in Class on Date(s)</b>
<b>SS.D.2.4.2</b> Understand how price and quantity demanded relate, how price and quantity supplied relate, and how price changes or controls affect distribution and allocation in the economy.	3	
<b>SS.D.2.4.3</b> Understand how government taxes, policies, and programs affect individuals, groups, businesses, and regions.	5	
<b>SS.D.2.4.4</b> Understand how United States fiscal policies and monetary policies reinforce or offset each other and how they affect levels of economic activity, the money supply of the country, and the well being of individuals, businesses, regions, and the nation.	4, 6	

# Correlation to Sunshine State Standards

## Course Requirements for Economics

### Course Number 2102310

<b>4. Demonstrate understanding of concepts essential for measuring economic performance and explaining economic phenomena.</b>		
<b>Benchmarks</b>	<b>Addressed in Unit(s)</b>	<b>Addressed in Class on Date(s)</b>
<b>SS.A.1.4.4</b> Use chronology, sequencing, patterns, and periodization to examine interpretations of an event.	2, 6	
<b>SS.B.2.4.1</b> Understand how social, cultural, economic, and environmental factors contribute to the dynamic nature of regions.	2, 6	
<b>SS.D.2.4.5</b> Understand basic terms and indicators associated with levels of economic performance and the state of the economy.	1, 2, 3, 4, 5, 6	
<b>5. Demonstrate understanding of the complementary and competing objectives between and within economic systems.</b>		
<b>Benchmarks</b>	<b>Addressed in Unit(s)</b>	<b>Addressed in Class on Date(s)</b>
<b>SS.A.3.4.8</b> Understand the effects of the Industrial Revolution.	1	
<b>SS.D.2.4.6</b> Understand factors that have led to increased international interdependence and basic concepts associated with trade between nations.	6	
<b>6. Demonstrate understanding of the economic dimensions of historical and contemporary issues.</b>		
<b>Benchmarks</b>	<b>Addressed in Unit(s)</b>	<b>Addressed in Class on Date(s)</b>
<b>SS.A.3.4.9</b> Analyze major historical events of the first half of the 20th century.	1, 6	
<b>SS.A.3.4.10</b> Understand the political, military, and economic events since the 1950s that have had a significant impact on international relations.	2, 6	
<b>SS.A.5.4.1</b> Know the causes of the Industrial Revolution and its economic, political, and cultural effects on American society.	1	
<b>SS.A.5.4.4</b> Understand social transformations that took place in the 1920s and 1930s, the principal political and economic factors that led to the Great Depression, and the legacy of the Depression in American society.	6	
<b>SS.B.2.4.7</b> Understand the concept of sustainable development.	1, 6	

## Correlation to Sunshine State Standards

### Course Requirements for Economics Course Number 2102310

<b>7. Demonstrate understanding of personal economic practices.</b>		
<b>Benchmarks</b>	<b>Addressed in Unit(s)</b>	<b>Addressed in Class on Date(s)</b>
<b>SS.C.2.4.6</b> Understand the argument that personal, political, and economic rights reinforce each other.	1, 2, 6	
<b>SS.D.1.4.1</b> Understand how many financial and nonfinancial factors (e.g., cultural traditions, profit, and risk) motivate consumers, producers, workers, savers, and investors to allocate their scarce resources differently.	1, 2, 3	
<b>SS.D.1.4.2</b> Understand credit history and the positive and negative impacts that credit can have on an individual's financial life.	4	
<b>8. Apply research, study, critical-thinking, and decision-making skills and demonstrate the use of new and emerging technology in problem solving.</b>		
<b>Benchmarks</b>	<b>Addressed in Unit(s)</b>	<b>Addressed in Class on Date(s)</b>
<b>SS.A.1.4.3</b> Evaluate conflicting sources and materials in the interpretation of a historical event or episode.	1, 2, 3, 4, 5, 6	



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## **Production Software**

Adobe PageMaker 6.5. Mountain View, CA: Adobe Systems.

Adobe Photoshop 5.0. Mountain View, CA: Adobe Systems.

Macromedia Freehand 8.0. San Francisco: Macromedia.

Microsoft Word 6.0. Redmond, WA: Microsoft.