

Career and Technical Education Secondary Curriculum

Subject: AG, BE, FS, and IT 77	Program: AG, BE, FS, and IT	Grade Level: 12
Course Title: Principles and Practices of Economics	CIP Code:	Difficulty: Average
Prerequisites:		# of Credits: ½ Cr.

Familiarizes the student with basic principles of economics, with an emphasis on capitalism and resource allocation. Included are the principles of financial management and career planning. **This course satisfies the Economics course requirement.**

State Academic Standard	PO No.	Program Standards	Mastery Indicators
S5C1	PO1	Analyze the implication of scarcity: <ol style="list-style-type: none"> a. limited resources and unlimited human wants influence choice at individual, national, and international levels b. factors of production (e.g. natural (land), human (labor), and capital resources, entrepreneurship, and technology) c. marginal analysis by producers, consumers, savers, and investors 	Foundations S5C1-PO2: Analyze production possibilities curves to describe opportunity costs and trade-offs. S5C3-PO7: Determine how investment in factories, machinery, new technology, and the health, education, and training of people can raise future standards of living. S4C3-PO2: Analyze different points of view on the use of renewable and non-renewable resources in Arizona.
S5C2	PO1	Describe how the interdependence of both households and firms is affected by trade, exchange, money, and banking: <ol style="list-style-type: none"> a. why voluntary exchange occurs only when all participating parties expect to gain from the exchange b. role and interdependence of households, firms, and government in the circular flow model of economic activity c. role of entrepreneurs in a market economy and how profit is an incentive that leads entrepreneurs to accept risks of business failure 	

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State Academic Standard	PO No.	Program Standards	Mastery Indicators
S5C4	PO1	<p>Analyze the similarities and differences among economic systems:</p> <ul style="list-style-type: none"> a. characteristics of market, command, and mixed economic systems, including roles of production, distribution, and consumption of goods and services b. benefits and costs of market and command economies c. characteristics of a mixed-market economy of the United States, including such concepts as private ownership, profit motive, consumer sovereignty, competition, and government regulation (public ownership). d. role of private property in conserving scarce resources and providing incentives in a market economy 	<p>Economic Systems</p> <p>S5C1-PO3: Describe the characteristics of the mixed market economy of the United States:</p> <ul style="list-style-type: none"> a. property rights b. profit motive c. consumer sovereignty d. competition e. role of the government (i.e., Smith, Marx, Keynes, see C2-PO1 a.) f. rational self-interest g. invisible hand <p>S5C2-PO1: Describe how the interdependence of both households and firms is affected by trade, exchange, money, and banking:</p> <ul style="list-style-type: none"> a. importance of rule of law in a market economy for enforcement of contracts

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State Academic Standard	PO No.	Program Standards	Mastery Indicators
S5C2	PO2	Describe how markets function and the forces that impact supply and demand: <ol style="list-style-type: none"> a. laws of supply and demand b. elasticity of supply and demand c. how a market price is determined (equilibrium) d. graphs that demonstrate changes in supply and demand e. how price ceilings and floors cause shortages or surpluses f. comparison of monopolistic and competitive behaviors (i.e., pure competition, monopolistic competitor, oligopoly). g. theory of production and the role of cost (i.e., fixed cost, marginal cost) 	Microeconomics
S5C5	PO6	Identify investment options, (e.g., stocks, bonds, mutual funds) available to individuals and households.	Define the three major business organizations (i.e., sole proprietorship, partnerships, corporation): <ol style="list-style-type: none"> a. describe the key characteristics of the major business organizations (e.g., stockholders, board of directors, officers, ownership, legal issues, liability) b. understand sources of business financing (e.g., corporate bonds and stocks, business plan, personal assets) Define a corporation: <ol style="list-style-type: none"> a. describe the corporate structure (e.g., stock holders, board of directors, officers) b. understand corporate finance (e.g., corporate bonds and stocks)

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State Academic Standard	PO No.	Program Standards	Mastery Indicators
S5C3	PO1	Determine how inflation, unemployment, and gross domestic product statistics are used in policy decisions. (e.g., consumer price, index)	Measurement and Fiscal Policy
S5C3	PO2	Explain the effects of inflation and deflation on different groups (e.g., borrowers v. lenders, fixed income/cost of living adjustments).	Identify the phases of the business cycle (e.g., recession, depression, prosperity, recovery) <ul style="list-style-type: none"> a. define inflation and unemployment b. define Gross Domestic Product
S5C3	PO3	Describe the economic and non-economic consequences of unemployment.	
S5C3	PO4	Analyze fiscal policy and its effects on inflation, unemployment, and economic growth. (e.g., Keynesian Theory) <ul style="list-style-type: none"> a. role of government (e.g., Congress and President) b. fiscal policy tools 	S5C2-PO3: Describe and utilize examples to demonstrate how government policies influence the economy: <ul style="list-style-type: none"> a. need to compare costs and benefits of government policies before taking action b. use of federal, state, and local government spending to provide national defense; address environmental concerns; define and enforce property, consumer and worker rights; regulate markets; and provide goods and services c. effects of progressive, proportional, and regressive taxes on different income groups d. role of self-interest in decisions of voters, elected officials, and public employees

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State Academic Standard	PO No.	Program Standards	Mastery Indicators
S5C3	PO6	Explain the effects of monetary policy on unemployment, inflation, and economic growth.	Money, Banking, Monetary Policy
S5C3	PO5	<p>Describe the functions of the Federal Reserve System (e.g., banking regulation and supervision, financial services, monetary policy) and their influence on the economy.</p> <ul style="list-style-type: none"> a. tools of the Federal Reserve System <ul style="list-style-type: none"> 1. discount rate 2. reserve requirement 3. open market operations 	Trace the historical developments of money and banking (e.g., currency, financial intermediaries, Federal Reserve System (FED), Great Depression, e-commerce).
S5C2	PO1	<p>Describe how the interdependence of both households and firms is affected by trade, exchange, money, and banking:</p> <ul style="list-style-type: none"> a. financial institutions and securities markets 	

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State Academic Standard	PO No.	Program Standards	Mastery Indicators
S5C5	PO3	Determine short- and long-term financial goals and plans, including income, spending, saving, and investing.	Personal Finance and Decision Making
S5C5	PO1	Explain how education, career choices, and family obligations affect future income.	Maintain personal financial records accurately (e.g., checking, budget, bill payments)
S5C5	PO6	Identify investment options, (e.g., stocks, bonds, mutual funds) available to individuals and households. (Re-teach)	
S5C5	PO4	Compare the advantages and disadvantages of using various forms of credit and the determinants of credit history.	
S5C5	PO5	Explain the risk, return, and liquidity of short and long-term saving and investment vehicles.	
S5C5	PO2	Analyze how advertising influences consumer choices.	

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State Academic Standard	PO No.	Program Standards	Mastery Indicators
S5C4	PO2	<p>Describe the effects of international trade on the United States and other nations:</p> <ol style="list-style-type: none"> a. how people and nations gain through trade b. how the law of comparative advantage leads to specialization and trade c. effects of protectionism, including tariffs and quotas on international trade and on a nation’s standard of living d. how exchange rates work and how they affect international trade e. how the concepts of balance of trade and balance of payments are used to measure international trade f. factors that influence the major world patterns of economic activity including the differing costs of production between developed and developing countries (e.g., outsourcing). g. economic connections among different regions, including changing alignments in world trade partners b. identify the effects of trade agreements (e.g., North American Free Trade Agreement) 	<p>International Trade</p> <p>S4C4-PO4: Analyze issues of globalization (e.g., resistance to “cultural imperialism” trade, outsourcing).</p> <p>S4C2-PO2: Describe the factors (e.g., demographics, political systems, economic systems, resources, culture) that contribute to the variations between developing and developed regions.</p>