



## **Economics – Part 2**

### Michigan State High School Social Studies Content Expectations

#### **Course Description**

Economics will provide the learner with an opportunity to explore the world of money, banking and finance, to understand how economic performance is measured, to examine the ways that the government obtains and spends resources and to analyze international trade and economic development.

#### **Text Book**

Economics: Principles in Action. Prentice Hall, 2005.

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#### **Unit 1 Description**

This unit will present the mediums of exchange and how contemporary US currency evolved; the evolution of the banking system; and an introduction to the financial markets.

#### **Essential Content and Skills**

The learner will:

- Examine the evolution of currency.
  - Explore the history of banking.
  - Understand the importance of saving and investing has on the free enterprise system.
  - Identify financial assets and the financial asset markets.
  - Analyze the role of the stock market.
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#### **Unit 1 Michigan State Content Expectations**

[Click here to view the Michigan DOE Curriculum Content Standards.](#)

## Course Name - Part

Michigan State Curriculum Content Standards (continued)

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### Unit 1 Lesson 1: Money

State Standard	Description
1.4.4	<b>Functions of Government</b> – Explain the various functions of government in a market economy including the provision of public goods and services, the creation of currency, the establishment of property rights, the enforcement of contracts, correcting for externalities and marketfailures, the redistribution of income and wealth, regulation of labor (e.g., minimum wage, child labor, working conditions), and the promotion of economic growth and security.

### Unit 1 Lesson 2: The History of American Banking

State Standard	Description
2.1.3	<b>Financial Institutions and Money Supply</b> – Analyze how decisions by the Federal Reserve and actions by fi nancial institutions (e.g., commercial banks, credit unions) regarding deposits and loans, impact the expansion and contraction of the money supply. Analyze the functions of economic institutions (e.g., corporations, not-for-profit institutions).

### Unit 1 Lesson 3: Individual Influences on the Banking Industry

State Standard	Description
2.1.3	<b>Financial Institutions and Money Supply</b> – Analyze how decisions by the Federal Reserve and actions by fi nancial institutions (e.g., commercial banks, credit unions) regarding deposits and loans, impact the expansion and contraction of the money supply. Analyze the functions of economic institutions (e.g., corporations, not-for-profit institutions).

### Unit 1 Lesson 4: Banking Today

State Standard	Description
2.1.3	<b>Financial Institutions and Money Supply</b> – Analyze how decisions by the Federal Reserve and actions by fi nancial institutions (e.g., commercial banks, credit unions) regarding deposits and loans, impact the expansion and contraction of the money supply. Analyze the functions of economic institutions (e.g., corporations, not-for-profit institutions).

### Unit 1 Lesson 5: Bank Mergers

State Standard	Description
2.1.3	<b>Financial Institutions and Money Supply</b> – Analyze how decisions by the Federal Reserve and actions by fi nancial institutions (e.g., commercial banks, credit unions) regarding deposits and loans, impact the expansion and contraction of the money supply. Analyze the functions of economic institutions (e.g., corporations, not-for-profit institutions).

## Course Name - Part

Michigan State Curriculum Content Standards (continued)

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### Unit 1 Lesson 6: Saving and Investing

State Standard	Description
4.1.4	<b>Key Components of Personal Finance</b> – Evaluate key components of personal finance including, money management, saving and investment, spending and credit, income, mortgages, retirement, investing (e.g., 401K, IRAs), and insurance. <b>Personal Decisions</b> – Use a decision-making model (e.g., stating a problem, listing alternatives, establishing criteria, weighing options, making the decision, and evaluating the result) to evaluate the different aspects of personal finance including careers, savings and investing tools, and different forms of income generation.
4.1.5	

### Unit 1 Lesson 7: Bonds and Other Financial Assets

State Standard	Description
4.1.4	<b>Key Components of Personal Finance</b> – Evaluate key components of personal finance including, money management, saving and investment, spending and credit, income, mortgages, retirement, investing (e.g., 401K, IRAs), and insurance. <b>Personal Decisions</b> – Use a decision-making model (e.g., stating a problem, listing alternatives, establishing criteria, weighing options, making the decision, and evaluating the result) to evaluate the different aspects of personal finance including careers, savings and investing tools, and different forms of income generation.
4.1.5	

### Unit 1 Lesson 8: The Government's Role

State Standard	Description
1.4.4	<b>Functions of Government</b> – Explain the various functions of government in a market economy including the provision of public goods and services, the creation of currency, the establishment of property rights, the enforcement of contracts, correcting for externalities and market failures, the redistribution of income and wealth, regulation of labor (e.g., minimum wage, child labor, working conditions), and the promotion of economic growth and security.

### Unit 1 Lesson 9: The Stock Market

State Standard	Description
4.1.4	<b>Key Components of Personal Finance</b> – Evaluate key components of personal finance including, money management, saving and investment, spending and credit, income, mortgages, retirement, investing (e.g., 401K, IRAs), and insurance. <b>Personal Decisions</b> – Use a decision-making model (e.g., stating a problem, listing alternatives, establishing criteria, weighing options, making the decision, and evaluating the result) to evaluate the different aspects of personal finance including careers, savings and investing tools, and different forms of income generation.
4.1.5	

## Course Name - Part

Michigan State Curriculum Content Standards (continued)

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### Unit 1 Lesson 10: Stock Market Stimulation

State Standard	Description
4.1.4	<b>Key Components of Personal Finance</b> – Evaluate key components of personal finance including, money management, saving and investment, spending and credit, income, mortgages, retirement, investing (e.g., 401K, IRAs), and insurance.
4.1.5	<b>Personal Decisions</b> – Use a decision-making model (e.g., stating a problem, listing alternatives, establishing criteria, weighing options, making the decision, and evaluating the result) to evaluate the different aspects of personal finance including careers, savings and investing tools, and different forms of income generation.

## Course Name - Part

Michigan State Curriculum Content Standards (continued)

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### Unit 2 Description

This unit will introduce the measurements economists use to analyze economic performance, fluctuations of the business cycles, factors that influence economic growth, as well as outline some of the major challenges to the economy.

### Essential Content and Skills

The learner will:

- Examine measurements of economic performance.
- Explore fluctuations of the business cycle.
- Identify factors that influence economic growth.
- Analyze major challenges to the economy.

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### Unit 2 Michigan State Content Expectations

#### Unit 2 Lesson 1: Gross Domestic Product

State Standard	Description
2.1.5	<b>Gross Domestic Product (GDP) and Economic Growth</b> – Use GDP data to measure the rate of economic growth in the United States and identify factors that have contributed to this economic growth.

#### Unit 2 Lesson 2: Business Cycles

State Standard	Description
2.1.4	<b>Money Supply, Inflation, and Recession</b> – Explain the relationships between money supply, inflation, and recessions. <b>Economic Indicators</b> – Using a number of indicators, such as GDP, per capita GDP, unemployment rates, and Consumer Price Index, analyze the characteristics of business cycles, including the characteristics of peaks, recessions, and expansions.
2.1.7	

#### Unit 2 Lesson 3: The Conference Board

State Standard	Description
2.1.4	<b>Money Supply, Inflation, and Recession</b> – Explain the relationships between money supply, inflation, and recessions. <b>Economic Indicators</b> – Using a number of indicators, such as GDP, per capita GDP, unemployment rates, and Consumer Price Index, analyze the characteristics of business cycles, including the characteristics of peaks, recessions, and expansions.
2.1.7	

## Course Name - Part

Michigan State Curriculum Content Standards (continued)

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### Unit 2 Lesson 4: Economic Growth

State Standard	Description
2.1.5	<b>Gross Domestic Product (GDP) and Economic Growth</b> – Use GDP data to measure the rate of economic growth in the United States and identify factors that have contributed to this economic growth

### Unit 2 Lesson 5: Real GDP & Private Investment

State Standard	Description
2.1.5	<b>Gross Domestic Product (GDP) and Economic Growth</b> – Use GDP data to measure the rate of economic growth in the United States and identify factors that have contributed to this economic growth

### Unit 2 Lesson 6: Unemployment

State Standard	Description
2.1.6	<b>Unemployment</b> – Analyze the character of different types of unemployment including frictional, structural, and cyclical.

### Unit 2 Lesson 7: Inflation

State Standard	Description
2.1.4	<b>Money Supply, Inflation, and Recession</b> – Explain the relationships between money supply, inflation, and recessions. <b>Economic Indicators</b> – Using a number of indicators, such as GDP, per capita GDP, unemployment rates, and Consumer Price Index, analyze the characteristics of business cycles, including the characteristics of peaks, recessions, and expansions.
2.1.7	

### Unit 2 Lesson 8: Inflation Rates & CPI

State Standard	Description
2.1.4	<b>Money Supply, Inflation, and Recession</b> – Explain the relationships between money supply, inflation, and recessions. <b>Economic Indicators</b> – Using a number of indicators, such as GDP, per capita GDP, unemployment rates, and Consumer Price Index, analyze the characteristics of business cycles, including the characteristics of peaks, recessions, and expansions.
2.1.7	

### Unit 2 Lesson 9: Poverty

State Standard	Description
1.4.4	<b>Functions of Government</b> – Explain the various functions of government in a market economy including the provision of public goods and services, the creation of currency, the establishment of property rights, the enforcement of contracts, correcting for externalities and market failures, the redistribution of income and wealth, regulation of labor (e.g., minimum wage, child labor, working conditions), and the promotion of economic growth and security.

## Course Name - Part

Michigan State Curriculum Content Standards (continued)

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### Unit 2 Lesson 10: Poverty Rate & Income Distribution

State Standard	Description
1.4.4	<b>Functions of Government</b> – Explain the various functions of government in a market economy including the provision of public goods and services, the creation of currency, the establishment of property rights, the enforcement of contracts, correcting for externalities and market failures, the redistribution of income and wealth, regulation of labor (e.g., minimum wage, child labor, working conditions), and the promotion of economic growth and security.

## Course Name - Part

Michigan State Curriculum Content Standards (continued)

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### Unit 3 Description

This unit will introduce the idea of taxes levied by local, state and federal governments, how governments allocate the taxes for operation and the role of the Federal Reserve System.

### Essential Content and Skills

The learner will:

- Identify the types of taxes levied by local, state and federal governments.
- Understand fiscal policy.
- Examine national debt.
- Analyze the history of the Federal Reserve System.
- Explore the role of the Fed in the economy.

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### Unit 3 Michigan State Content Expectations

#### Unit 3 Lesson 1: Taxes

State Standard	Description
2.2.5	<b>Government Revenue and Services</b> – Analyze the ways in which governments generate revenue on consumption, income and wealth and use that revenue for public services (e.g., parks and highways) and social welfare (e.g., social security, Medicaid, Medicare).

#### Unit 3 Lesson 2: Federal Spending

State Standard	Description
2.2.5	<b>Government Revenue and Services</b> – Analyze the ways in which governments generate revenue on consumption, income and wealth and use that revenue for public services (e.g., parks and highways) and social welfare (e.g., social security, Medicaid, Medicare).

#### Unit 3 Lesson 3: State and Local Taxes and Spending

State Standard	Description
2.2.5	<b>Government Revenue and Services</b> – Analyze the ways in which governments generate revenue on consumption, income and wealth and use that revenue for public services (e.g., parks and highways) and social welfare (e.g., social security, Medicaid, Medicare).

#### Unit 3 Lesson 4: Understanding Fiscal Policy

State Standard	Description
2.2.3	<b>Fiscal Policy and its Consequences</b> – Analyze the consequences – intended and unintended – of using various tax and spending policies to achieve macroeconomic goals of stable prices, low unemployment, and economic growth.

## Course Name - Part

Michigan State Curriculum Content Standards (continued)

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### Unit 3 Lesson 5: Fiscal Policy Options

State Standard	Description
2.2.3	<b>Fiscal Policy and its Consequences</b> – Analyze the consequences – intended and unintended – of using various tax and spending policies to achieve macroeconomic goals of stable prices, low unemployment, and economic growth.

### Unit 3 Lesson 6: Budget Deficits and the National Debt

State Standard	Description
2.2.3	<b>Fiscal Policy and its Consequences</b> – Analyze the consequences – intended and unintended – of using various tax and spending policies to achieve macroeconomic goals of stable prices, low unemployment, and economic growth.

### Unit 3 Lesson 7: Federal Reserve System

State Standard	Description
2.2.4	<b>Federal Reserve and Monetary Policy</b> – Explain the roles and responsibilities of the Federal Reserve System and compare and contrast the consequences – intended and unintended – of different monetary policy actions of the Federal Reserve Board as a means to achieve macroeconomic goals of stable prices, low unemployment, and economic growth.

### Unit 3 Lesson 8: Federal Reserve Functions

State Standard	Description
2.2.4	<b>Federal Reserve and Monetary Policy</b> – Explain the roles and responsibilities of the Federal Reserve System and compare and contrast the consequences – intended and unintended – of different monetary policy actions of the Federal Reserve Board as a means to achieve macroeconomic goals of stable prices, low unemployment, and economic growth.

### Unit 3 Lesson 9: Monetary Policy Tools

State Standard	Description
2.2.4	<b>Federal Reserve and Monetary Policy</b> – Explain the roles and responsibilities of the Federal Reserve System and compare and contrast the consequences – intended and unintended – of different monetary policy actions of the Federal Reserve Board as a means to achieve macroeconomic goals of stable prices, low unemployment, and economic growth.

## Course Name - Part

Michigan State Curriculum Content Standards (continued)

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### Unit 3 Lesson 10: Monetary Policy and Macroeconomic Stabilization

State Standard	Description
2.2.1	<b>Federal Government and Macroeconomic Goals</b> – Identify the three macroeconomic goals of an economic system (stable prices, low unemployment, and economic growth).
2.2.2	<b>Macroeconomic Policy Alternatives</b> – Compare and contrast differing policy recommendations for the role of the Federal government in achieving the macroeconomic goals of stable prices, low unemployment, and economic growth.

## Course Name - Part

Michigan State Curriculum Content Standards (continued)

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### Unit 4 Description

This unit will introduce the economic forces behind international trade and confront the issues that less developed countries encounter.

### Essential Content and Skills

The learner will:

- Examine the economic forces that make international trade desirable.
- Explore the controls and barriers that nations impose to maximize their gains from trade.
- Identify the effects of monetary policies and currency fluctuations on the conduct of trade.
- Understand the issues that confront less developed countries.
- Analyze the steps to move from a centrally planned to a market-based economy.

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### Unit 4 Michigan State Content Expectations

#### Unit 4 Lesson 1: Why Nations Trade

State Standard	Description
3.2.1	<b>Absolute and Comparative Advantage</b> – Use the concepts of absolute and comparative advantage to explain why goods and services are produced in one nation or locale versus another. <i>(National Geography Standard 11, p. 206)</i>
3.2.2	<b>Domestic Activity and World Trade</b> – Assess the impact of trade policies (i.e. tariffs, quotas, export subsidies, product standards and other barriers), monetary policy, exchange rates, and interest rates on domestic activity and world trade. <i>(National Geography Standard 11, p. 206)</i>

#### Unit 4 Lesson 2: Trade Barriers and Agreements

State Standard	Description
3.2.1	<b>Absolute and Comparative Advantage</b> – Use the concepts of absolute and comparative advantage to explain why goods and services are produced in one nation or locale versus another. <i>(National Geography Standard 11, p. 206)</i>
3.2.2	<b>Domestic Activity and World Trade</b> – Assess the impact of trade policies (i.e. tariffs, quotas, export subsidies, product standards and other barriers), monetary policy, exchange rates, and interest rates on domestic activity and world trade. <i>(National Geography Standard 11, p. 206)</i>

## Course Name - Part

Michigan State Curriculum Content Standards (continued)

### Unit 4 Lesson 3: Protectionism

State Standard	Description
3.2.1	<b>Absolute and Comparative Advantage</b> – Use the concepts of absolute and comparative advantage to explain why goods and services are produced in one nation or locale versus another. <i>(National Geography Standard 11, p. 206)</i>
3.2.2	<b>Domestic Activity and World Trade</b> – Assess the impact of trade policies (i.e. tariffs, quotas, export subsidies, product standards and other barriers), monetary policy, exchange rates, and interest rates on domestic activity and world trade. <i>(National Geography Standard 11, p. 206)</i>

### Unit 4 Lesson 4: Measuring Trade

State Standard	Description
3.2.1	<b>Absolute and Comparative Advantage</b> – Use the concepts of absolute and comparative advantage to explain why goods and services are produced in one nation or locale versus another. <i>(National Geography Standard 11, p. 206)</i>
3.2.2	<b>Domestic Activity and World Trade</b> – Assess the impact of trade policies (i.e. tariffs, quotas, export subsidies, product standards and other barriers), monetary policy, exchange rates, and interest rates on domestic activity and world trade. <i>(National Geography Standard 11, p. 206)</i>

### Unit 4 Lesson 5: NAFTA

State Standard	Description
3.2.1	<b>Absolute and Comparative Advantage</b> – Use the concepts of absolute and comparative advantage to explain why goods and services are produced in one nation or locale versus another. <i>(National Geography Standard 11, p. 206)</i>
3.2.2	<b>Domestic Activity and World Trade</b> – Assess the impact of trade policies (i.e. tariffs, quotas, export subsidies, product standards and other barriers), monetary policy, exchange rates, and interest rates on domestic activity and world trade. <i>(National Geography Standard 11, p. 206)</i>

### Unit 4 Lesson 6: Levels of Development

State Standard	Description
3.1.2	<b>Developing Nations</b> – Assess how factors such as availability of natural resources, investments in human and physical capital, technical assistance, public attitudes and beliefs, property rights and free trade can affect economic growth in developing nations. <i>(National Geography Standards 1 and 4, pp. 184 and 190)</i>
3.1.3	<b>International Organizations and the World Economy</b> – Evaluate the diverse impact of trade policies of the World Trade Organization, World Bank, or International Monetary Fund on developing economies of Africa, Central America, or Asia, and the developed economies of the United States and Western Europe. <i>(National Geography Standard 11, p. 206)</i>

## Course Name - Part

Michigan State Curriculum Content Standards (continued)

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### Unit 4 Lesson 7: Issues in Development

State Standard	Description
3.1.2	<b>Developing Nations</b> – Assess how factors such as availability of natural resources, investments in human and physical capital, technical assistance, public attitudes and beliefs, property rights and free trade can affect economic growth in developing nations. ( <i>National Geography Standards 1 and 4, pp. 184 and 190</i> )
3.1.3	<b>International Organizations and the World Economy</b> – Evaluate the diverse impact of trade policies of the World Trade Organization, World Bank, or International Monetary Fund on developing economies of Africa, Central America, or Asia, and the developed economies of the United States and Western Europe. ( <i>National Geography Standard 11, p. 206</i> )

### Unit 4 Lesson 8: Financing Development

State Standard	Description
3.1.2	<b>Developing Nations</b> – Assess how factors such as availability of natural resources, investments in human and physical capital, technical assistance, public attitudes and beliefs, property rights and free trade can affect economic growth in developing nations. ( <i>National Geography Standards 1 and 4, pp. 184 and 190</i> )
3.1.3	<b>International Organizations and the World Economy</b> – Evaluate the diverse impact of trade policies of the World Trade Organization, World Bank, or International Monetary Fund on developing economies of Africa, Central America, or Asia, and the developed economies of the United States and Western Europe. ( <i>National Geography Standard 11, p. 206</i> )

### Unit 4 Lesson 9: Transitions to Free Enterprise

State Standard	Description
3.1.2	<b>Developing Nations</b> – Assess how factors such as availability of natural resources, investments in human and physical capital, technical assistance, public attitudes and beliefs, property rights and free trade can affect economic growth in developing nations. ( <i>National Geography Standards 1 and 4, pp. 184 and 190</i> )
3.1.3	<b>International Organizations and the World Economy</b> – Evaluate the diverse impact of trade policies of the World Trade Organization, World Bank, or International Monetary Fund on developing economies of Africa, Central America, or Asia, and the developed economies of the United States and Western Europe. ( <i>National Geography Standard 11, p. 206</i> )
3.1.6	<b>Impact of Transitional Economies</b> – Analyze the impact of transitional economies, such as in China and India, on the global economy in general and the American economy in particular. ( <i>National Geography Standard 11, p. 206</i> )

## Course Name - Part

Michigan State Curriculum Content Standards (continued)

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### Unit 4 Lesson 10: Transitions and Assistance

State Standard	Description
3.1.2	<b>Developing Nations</b> – Assess how factors such as availability of natural resources, investments in human and physical capital, technical assistance, public attitudes and beliefs, property rights and free trade can affect economic growth in developing nations. ( <i>National Geography Standards 1 and 4, pp. 184 and 190</i> )
3.1.3	<b>International Organizations and the World Economy</b> – Evaluate the diverse impact of trade policies of the World Trade Organization, World Bank, or International Monetary Fund on developing economies of Africa, Central America, or Asia, and the developed economies of the United States and Western Europe. ( <i>National Geography Standard 11, p. 206</i> )
3.1.6	<b>Impact of Transitional Economies</b> – Analyze the impact of transitional economies, such as in China and India, on the global economy in general and the American economy in particular. ( <i>National Geography Standard 11, p. 206</i> )