Unit 1: Basic Economic Concepts- The "choice" is yours

Content Area: **Social Studies**
Course(s): **AP Macro Economics**
Time Period: **September**
Length: **3 weeks**
Status: **Published**

Transfer

Students will be able to independently use their learning to apply their basic concepts to real world settings.

Enduring Understandings

People have unlimited wants of limited supplies of goods and services. The concept of scarcity of these goods drives economics.

Countries have to make decisions about how to use their resources efficiently. Production Possibilities Frontiers show how resources are used and how efficiently countries use them.

The idea of comparative and absolute advantage helps people to gauge why and how these should use and trade their resources. It helps to set up the parameters of trade between individuals and countries.

Mutual Trade is always beneficial to both sides, even if one side seems more productive than the other. By freeing up resources, both sides become more productive.

Supply and demand analysis helps people to understand how prices are set and how much quantity is produced. By looking and the desire and availability of products, people can make more informed choices on how goods and services are produced and purchases.

Essential Questions

Why does the study of economics consider the individuals “wants” over the individuals needs?

Why does scarcity lead people to evaluate opportunity cost?

How do we know of an individual or country are using their resources properly and how is it possible to become more efficient?

Why is trade mutual beneficial and how can we determine the benefits of trade?

How are supply and demand curves constructed and how does analysis of the movement of these curves help us to understand how choices are made?

Content

Vocabulary

Scarcity, Economic Goods, Opportunity Cost, Efficiency , Consumption, Absolute Advantage, Comparative Advantage, Law of Demand and Supply, Normal and Inferior Goods, Substitutes, Complements, Subsidy, Equilibrium, Shortage, Surplus, Price Ceilings and Price Floors

Learning Objectives

Graph supply and demand curves and production possibility curves.

Analyze Absolute Advantage and calculation of comparative advantage.

Evaluate current economic climate through Economic Literacy Projects (ELP) where students choose a current event article and write up an analysis of it using economic standards.

Differentiate between “scarcity” and “shortages”

Assess the determinants of supply and demand through real world examples.

Determine the parameters of trade through comparative advantage analysis.

Standards

PFL.9.1.12.A.5	Analyze how the economic, social, and political conditions of a time period can affect the labor market.
PFL.9.1.12.A.7	Analyze and critique various sources of income and available resources (e.g., financial assets, property, and transfer payments) and how they may substitute for earned income.
PFL.9.1.12.A.8	Analyze different forms of currency and how currency is used to exchange goods and services.
PFL.9.1.12.A.9	Analyze how personal and cultural values impact spending and other financial decisions.
PFL.9.1.12.B	Money Management
PFL.9.1.12.D	Planning, Saving, and Investing
PFL.9.1.12.E	Becoming a Critical Consumer
SOC.6.1.12.C.1	Economics, Innovation, and Technology
SOC.6.1.12.C.3.b	Relate the wealth of natural resources to the economic development of the United States and to the quality of life of individuals.