Unit 1: Fundamentals of Economics

Content Area: **Social Studies**
Course(s):
Time Period: **Marking Period 1**
Length: **4 Weeks**
Status: **Published**

Summary

Students in the Economics course study how society meets unlimited wants with limited resources and how the resulting goods and services are distributed. The curriculum includes a study of principal economic concepts at both the micro and macro levels; fiscal and monetary policy; and how students can act in financially responsible ways. In order to provide students with a comprehensive understanding, current events and real world examples are highlighted as case studies of economic concepts.

This unit is part of the larger aforementioned course sequence and specifically focuses on the fundamentals of economics where students will understand that economics is the study of how societies make decisions based on scarcity of resources. Students will learn that all decisions have trade offs and opportunity costs, and thus, it is important for the decision maker to analyze costs-benefits to reach the most optimal outcome. By the end of this unit, students will be able to evaluate trade offs and opportunity costs as they relate to individuals and factors of production, assess how rational decision makers use cost-benefit analysis, and explain why all benefit from voluntary trade. Students will be able to calculate opportunity costs and analyze charts, tables, and graphs in relation to production possibilities curves, marginal analysis, and comparative and absolute advantage. Students will also craft arguments regarding how to best address the fundamental economic problem of scarcity and essential economic questions in relation to production.

This course fulfills the 2.5 credits in financial literacy coursework required by both Cranford High School and the state of New Jersey for graduation.

Revision Date: August 2023

Standards

6.2.12.EconET.3.b: Compare the characteristics of capitalism, socialism, and communism to determine why each system emerged and its success in leading to economic growth and stability.

9.1.12.CFR.4: Demonstrate an understanding of the interrelationships among attitudes, assumptions, and patterns of behavior regarding money, saving, investing, and work across cultures.

9.1.12.EG.5: Relate a country’s economic system of production and consumption to building personal wealth,

the mindset of social comparison, and achieving societal responsibilities.

9.1.12.FP.5: Evaluate how behavioral bias (e.g., overconfidence, confirmation, recency, loss aversion, etc.) affects decision-making.

9.4.12.CI.1: Demonstrate the ability to reflect, analyze, and use creative skills and ideas (e.g., 1.1.12prof.CR3a).

9.4.12.CT.1: Identify problem-solving strategies used in the development of an innovative product or practice (e.g., 1.1.12acc.C1b, 2.2.12.PF.3).

9.4.12.CT.2: Explain the potential benefits of collaborating to enhance critical thinking and problem solving (e.g., 1.3E.12profCR3.a).

NJSLSA.R1. Read closely to determine what the text says explicitly and to make logical inferences and relevant connections from it; cite specific textual evidence when writing or speaking to support conclusions drawn from the text.

NJSLSA.R7. Integrate and evaluate content presented in diverse media and formats, including visually and quantitatively, as well as in words.

NJSLSA.R9. Analyze and reflect on how two or more texts address similar themes or topics in order to build knowledge or to compare the approaches the authors take.

RH.11-12.3. Evaluate various perspectives for actions or events; determine which explanation best accords with textual evidence, acknowledging where the text leaves matters uncertain.

RH.11-12.7. Integrate and evaluate multiple sources of information presented in diverse formats and media (e.g., visually, quantitatively, qualitatively, as well as in words) in order to address a question or solve a problem.

RST.11-12.3. Follow precisely a complex multistep procedure when carrying out experiments, taking measurements, or performing technical tasks; analyze the specific results based on explanations in the text.

RST.11-12.7. Integrate and evaluate multiple sources of information presented in diverse formats and media (e.g., quantitative data, video, multimedia) in order to address a question or solve a problem.

NJSLSA.W1. Write arguments to support claims in an analysis of substantive topics or texts, using valid reasoning and relevant and sufficient evidence.

NJSLSA.W2. Write informative/explanatory texts to examine and convey complex ideas and information clearly and accurately through the effective selection, organization, and analysis of content.

NJSLSA.W9. Draw evidence from literary or informational texts to support analysis, reflection, and research.

WHST.11-12.1. Write arguments focused on discipline-specific content.

A. Introduce precise, knowledgeable claim(s), establish the significance of the claim(s), distinguish the claim(s) from alternate or opposing claims, and create an organization that logically sequences the claim(s), counterclaims, reasons, and evidence.

B. Develop claim(s) and counterclaims using sound reasoning and thoroughly, supplying the most relevant data and evidence for each while pointing out the strengths and limitations of both claim(s) and counterclaims in a discipline appropriate form that anticipates the audience's knowledge level, concerns, values, and possible biases.

C. Use transitions (e.g. words, phrases, clauses) to link the major sections of the text, create cohesion, and clarify the relationships between claim(s) and reasons, between reasons and evidence, and between claim(s) and counterclaims.

D. Establish and maintain a style and tone appropriate to the audience and purpose (e.g. formal and objective for academic writing) while attending to the norms and conventions of the discipline in which they are writing.

E. Provide a concluding paragraph or section that supports the argument presented.

This unit is aligned to the English Language Development (ELD) standards for kindergarten through grade 12 since multilingual learners develop content and language concurrently, with academic content in a classroom where the language of instruction is English. As a result, language learning and language as a means for learning academic content are interchangeable. The following ELD standards are relevant for this unit and course of study:

- Standard 1: Language for Social and Instructional Purposes: English language learners communicate for social and instructional purposes within the school setting.
- Standard 5: Language for Social Studies: English language learners communicate information, ideas

and concepts necessary for academic success in the content area of Social Studies.

The standards in this unit reflect a developmental progression across grade levels and make interdisciplinary connections across content areas including the humanities, technology, career readiness, cultural awareness, and global citizenship.

Essential Questions and Enduring Understandings

Essential Questions:

- How does scarcity influence all economic decisions?
- To what extent do the fundamentals of economics apply to individuals in everyday life?
- To what extent does trade benefit all parties involved?

Enduring Understandings:

- Economics is the study of how societies make decisions based on scarcity of resources.
- All decisions have trade offs and opportunity costs; it is important for the decision maker to weigh options to optimize benefits of their decision.

Objectives

Students will know:

- Terms, concepts and individuals (including, but not limited to): scarcity, factors of production, land, labor, capital, entrepreneurship, trade offs, opportunity costs, productions possibilities curve, marginal costs, marginal benefits, cost-benefit analysis, voluntary trade, involuntary trade, incentives, traditional economy, command economy, market economy, Adam Smith and laissez-faire economics, the Invisible Hand, Law of Diminishing Returns, forms of economic exchange, bartering, credit, comparative advantage, absolute advantage, specialization
- Scarcity of resources is the fundamental economic problem.
- Economic questions of what to produce, who produces it, and for whom.
- The difference between trade offs and opportunity costs and how they apply to the concepts in

everyday life.

- The purpose of production possibilities curves and how they are used to determine production.
- The relationship between marginal costs and marginal benefits and how cost-benefit analysis influences rational decision making.
- The difference between comparative and absolute advantage and how they are used to determine specialization.
- Incentives motivate behavior.
- The major forms of economic exchange and how they are used to buy goods and services.
- The benefits of voluntary exchange.
- The detriments of involuntary exchange.
- The differences between the three major economic systems.
- The purpose of the law of diminishing returns and how it applies in economics and everyday life.

Students will be skilled at:

- Calculating opportunity cost.
- Graphing production possibilities curves.
- Interpreting economic tables, graphs, and charts (Comparative/Absolute Advantage, Productions Possibilities Curves, Law of Diminishing Return)
- Analyzing factors of production and explaining their relationship to trade offs and opportunity costs.
- Explaining how rational decision makers think on the margin.
- Assessing how scarcity impacts the ability to participate in the economy for producers and consumers.
- Analyzing the impact of incentives on different individuals and groups of people.
- Explaining the difference between voluntary and involuntary exchange and how it has applied to history.
- Assessing the ways in which the three different major economic systems attempt to address the fundamental economic problem and the three economic questions.

Learning Plan

This unit includes, but is not limited to, the following learning strategies:

Zombie Apocalypse Game: Students will address the economic ideas of scarcity, trade offs and opportunity costs by participating in the Zombie Apocalypse game. Students work in teams to pick a vehicle and determine what resources to take with them if they were living in a zombie apocalypse and needed to find safety halfway across the country. Students face encounters along their journey that they must make decisions for, impacting their success on the trip. Afterwards, students connect their experience to the fundamental problem of scarcity, assess their decision-making, and reflect on how chance or unexpected events impact the economy.

Factors of Production Analysis: Students analyze the factors of production that go into a commonly used product to assess how goods are made and the varying steps in which scarcity can impact production.

Trade Offs and Opportunity Costs Analysis: Students watch a clip from a film (ex: The Dark Knight) to assess how trade offs and opportunity costs impacted the characters' decision making. Students identify what trade offs are, the value of each trade off, and how the best value of each option relates to opportunity cost.

Opportunity Cost and Money: Students practice calculating opportunity cost in financial situations to assess the true cost of decisions. Students will make real life connections to quantitative decisions they have made and calculate their own opportunity costs.

Production Possibilities Curve Simulation: Students will participate in a simulation where they must make two products with the same allotment of time and resources. Students calculate how much of each product they were able to make and then graph their results to examine their production possibilities curve. Students will connect findings to the use of production possibilities curves by businesses in determining their own use of resources.

Calculating Opportunity Cost: Students will evaluate how to determine optimal production through calculating opportunity cost with a production possibilities curve. Students will practice calculating opportunity costs at different points on the curve to assess what the cost of production is at multiple points.

Paper Chain Simulation: Students will participate in a simulation that demonstrates the law of diminishing return through the creation of paper chains. Students will create paper chains using a fixed number of resources in a given period of time, adding an additional person to their team each round. Students assess how much longer their chain becomes each round and then will complete a graphic organizer analyzing their results. Students will assess at what point they were most productive and why that may not align with the highest number of students.

Thinking on the Margin Video Analysis: Students will watch the realtor clip from Freakonomics to examine how realtors think on the margin. Afterwards, students will reflect on how realtors use cost-benefit analysis to determine how long to keep a house on the market.

Resource Scarcity Game: Students work in groups of four acting as countries to attempt to create as many products (food, clothing, shelter, education) they can given limited resources. Students may trade if they ask the instructor, but are to try and work with their group to be as productive as possible given their limited resources. Students use this game as a review of scarcity, trade offs and opportunity costs, and marginal analysis, and as an introduction to trade and comparative and absolute advantage.

Comparative vs. Absolute Advantage Simulation: Students will participate in a simulation where they will first examine how fast they can type and hand write transcriptions within a minute. Then, with a partner, students will compare their findings to determine who has the absolute advantage and calculate the opportunity cost of each activity for each person to determine who should specialize.

Incentive Video Analysis: Students will watch the Freakonomics Clip "Can You Bribe a 9th Grader?" To examine how incentives were used in a Chicago school to attempt to bring up grade averages. Students will assess the extent to which incentives work and consider factors that contribute to the success or failure of incentives.

Marginal Analysis Activity: Students act as community members concerned about cleaning up their community pond and weigh the benefits and costs of clean up at a Board Meeting. Students create a solution based on principles of cost-benefit analysis and thinking on the margin.

Comparing Economic Systems: Students will have the opportunity to choose from a variety of modalities (readings, podcast, videos) to analyze the benefits and detriments of the three main economic systems. Students assess how each economic system addresses the fundamental economic problem and questions.

Economic Systems- Car Simulation: Students participate in rounds where they act as car inventors attempting to get their car designs approved. In the first two rounds, students are rewarded based on their innovation. In the second two rounds, students are rewarded based on meeting basic requirements and are rewarded the same amounts. Students reflect on how the simulation relates to aspects of the differing economic systems and how there are benefits and detriments to each system, highlighting when innovation occurs most.

Trade Activity: Students will be given various cards which each have a different product on it. Students will rate their satisfaction with their current card, then trade with another classmate to attempt to get a more advantageous product. Students will reflect on their level of satisfaction and how it reflects the benefits of trade.

Benefits of Voluntary Trade in the Real World: Students will research a current example of trade between countries and reflect on how and why trade between the two exists. Students will reflect on how trade benefits both regions and their allocation of resources.

Forms of Economic Exchange Video Analysis: Students will analyze the benefits and detriments to the varying forms of economic exchange through viewing examples from media (ex. Shaun the Sheep)

Note: Other strategies to address the learning objectives may include, but are not limited to direct instruction, self and peer review, think-pair-share activities, creating visual representations, debates, film analysis, Socratic seminars, small group discussions, simulations, mapping activities, jigsaw activities, gallery walks, web quests, and/or inquiry or problem based learning projects.

Assessment

When taking a Social Studies course, students demonstrate differentiated proficiency according to their ability to answer the essential questions through formative and summative assessments. Many of the performance tasks below can be implemented as formative and/or summative assessments. As teachers strive for students to demonstrate proficiency, they will need to create additional or alternative assessments based on demonstration or absence of skill.

Formative Assessments:

- Do Nows
- Exit Slips
- Practice Problems, such as Economic Ways of Thinking Packet
- Homework/Classwork
- Incentive Video Analysis
- Factors of Production Analysis
- Opportunity Costs and Money Practice Problems
- Comparing Economic Systems
- Benefits of Voluntary Exchange in the Real World Research
- Comparative vs. Absolute Advantage Activity

- Forms of Economic Exchange Video Analysis

Summative Assessment:

- Unit One Quiz (Graphing, Short Answer, Multiple Choice)
- Economic Ways of Thinking Test (Multiple Choice, Graphing, Short Answer Questions)
- Settlers of Catan Project: Students will play Settlers of Catan, then write a response paper reflecting on how the game connects to three economic ideas from the Unit. Students will explain how their personal game play relates to the economic topics by defining each topic and giving evidence from their game.

Alternative Assessment:

- Economics in the Real World Portfolio: Students must find personal or present day connections to ten economic topics and principles related to the unit, providing evidence to how it reflects economic principles and explaining the significance of the topic to the study of economics.

Materials

The design of this course allows for the integration of a variety of instructional, supplemental, and intervention materials that support student learners at all levels in the school and home environments. Associated web content and media sources are infused into the unit as applicable and available In addition to the materials below, the following link connects to district approved textbooks and resources utilized in this course: Core Book List.

The following are approved resources that teachers can include to further unit related objectives:

- Scarcity, Trade Offs, and Opportunity Cost Practice Problems
- Economic Systems Simulation
- Steps to Finding Comparative and Absolute Advantage
- Freakonomics Video
- Dark Knight Trade Offs Video Clip
- The Surprising Truth About Incentives RSA Animate
- Freakonomics Realtors: Marginal Analysis Video Clip
- Resource Scarcity Game
- What is Capitalism? Part 1 and Part 2

- Planet Money Podcast:Socialism 101
- Comparative and Absolute Advantage Simulation: EconEd
- Principles of Economics (2nd edition) - online ebook from Rice University's openstax exchange
- "Settlers of Catan" Board Game
- Foundation for Teaching Economics: Would You Swim There? Marginal Analysis
- Shaun the Sheep - "Takeaway" video clip

Any additional resources that are not included in this list will be presented to and reviewed by the supervisor before being included in lesson plans. This ensures resources are reviewed and vetted for relevance and appropriateness prior to implementation.

Suggested Strategies for Modification

his link includes content specific accommodations and modifications for all populations:

https://docs.google.com/spreadsheets/d/1Pp6EJOCsFz5o4-opzsXpQDQoa6aClW-bkRGPDRHXVrk/edit?usp=sharing

These additional strategies are helpful when learning Economics content and skills:

- Bold terms in directions.
- Read texts aloud for students to assist in comprehension and analysis.
- Provide opportunities for text-to-speech for written responses.
- Use visual presentations of all materials and instructions.
- Provide step-by-step instructions for economic problems that require calculation or graphing.
- Model of practices to support student understanding.