

Unit 1: Basic Economic Concepts

Content Area: **Social Studies**
Course(s): **Economics**
Time Period: **Semester 1**
Length: **2 weeks**
Status: **Published**

Summary

This unit focuses on providing students with a thorough understanding of basic economic concepts. They need this understanding to be able to apply these concepts in subsequent units as the content increases in difficulty. To understand economics, students need to understand that because most resources are scarce, individuals and societies must make choices. When making rational choices, people do so “on the margin,” taking into account the additional costs and benefits of their decisions. The foundational economic ideas addressed in this unit form the basis for more advanced analysis of consumer and producer behavior that will be developed throughout the course.

Standards

Priority Content Standards

H/SS.MICE.I	Basic Economic Concepts
H/SS.MICE.I.A	Scarcity, choice, and opportunity cost
H/SS.MICE.I.B	Production possibilities curve
H/SS.MICE.I.C	Comparative advantage, absolute advantage, specialization, and trade
H/SS.MICE.I.D	Economic systems
H/SS.MICE.I.E	Property rights and the role of incentives
H/SS.MICE.I.F	Marginal analysis

Supplemental Content Standards

ECON.4.1	Scarcity
ECON.4.1.2	Identify what they gain and what they give up when they make choices.
ECON.4.2	Decision Making

Interdisciplinary Connections (Standards)

Please select relevant "Standards for Mathematical Practice (2023)", science and engineering practice

standards "Grades 9-12/6-8 (2023)", ELA anchor statements, Social Studies practice standards. (3-6 total are suggested)

Planning and Carrying Out Investigations
Obtaining, Evaluating, and Communicating Information
Using Mathematics and Computational Thinking
Developing and Using Models
Constructing Explanations and Designing Solutions
Analyzing and Interpreting Data
Engaging in Argument from Evidence
Asking Questions and Defining Problems

Career Readiness, Life Literacies, and Key Skills PRACTICES

These practices should be taught and reinforced in all content areas with increasingly higher levels of complexity and expectation as a student advances through a program of study.

WRK.K-12.P.1	Act as a responsible and contributing community members and employee.
WRK.K-12.P.2	Attend to financial well-being.
WRK.K-12.P.3	Consider the environmental, social and economic impacts of decisions.
WRK.K-12.P.4	Demonstrate creativity and innovation.
WRK.K-12.P.5	Utilize critical thinking to make sense of problems and persevere in solving them.
WRK.K-12.P.6	Model integrity, ethical leadership and effective management.
WRK.K-12.P.7	Plan education and career paths aligned to personal goals.
WRK.K-12.P.8	Use technology to enhance productivity increase collaboration and communicate effectively.
WRK.K-12.P.9	Work productively in teams while using cultural/global competence.

Climate Change Standards

Select the Performance Expectations.

ClimateChange Education

Stage I: Desired Results

STAGE I Desired Results

Adapted from AP Microeconomics Course and Exam Description, Effective Fall 2022

LEARNING OBJECTIVE (*Transfer*)

Students will be able to use their learning to independently...

- Define resources and the cause(s) of their scarcity.
- Define how resource allocation is influenced by the economic system adopted by society.
- Define (using graphs as appropriate) the production possibilities curve (PPC) and related terms.
- Explain (using graphs as appropriate) how the production possibilities curve (PPC) illustrates opportunity costs, trade-offs, inefficiency, efficiency, and economic growth or contraction under various conditions.
- Calculate (using data from PPCs or tables as appropriate) opportunity cost.
- Define absolute advantage and comparative advantage.
- Determine (using data from PPCs or tables as appropriate) absolute and comparative advantage.
- Explain (using data from PPCs or tables as appropriate) how specialization according to comparative advantage with appropriate terms of trade can lead to gains from trade.
- Define opportunity cost.
- Explain the opportunity costs associated with choices.
- Calculate the opportunity costs associated with choices.
- Explain a decision by comparing total benefits and total costs (using a table or a graph when appropriate).
- Calculate total benefits and total costs (using a table or graph where appropriate)
- Define the key assumptions of consumer choice theory.
- Explain (using a table or graph as appropriate) how a rational consumer's decision making involves the use of marginal benefits and marginal costs.
- Calculate (using a table or a graph when appropriate) how a rational consumer's decision making involves the use of marginal benefits and marginal costs.
- Define marginal analysis and related terms.
- Explain a decision using marginal analysis (using a table or a graph when appropriate).

Mastery

ENDURING UNDERSTANDING

Students will understand that ...

- Most factors of production (such as land, labor, and capital) are scarce, but some factors of production (such as established knowledge) may not be scarce due to their non-rival nature.
- Resource allocation involves answering three basic questions: What goods and services to produce? How to produce those goods and services? And who consumes these goods and services?
- Resource allocation is significantly influenced by the economic system adopted by society, such as command economy, market economy, or mixed economy. Each system involves a particular set of institutional arrangements and a coordinating mechanism for allocating scarce resources and distributing output.
- The PPC is a model used to show the trade-

ESSENTIAL QUESTIONS/BIG IDEAS

- How do individuals and economies confront the problem of scarcity?
- Why do people and countries trade with one another?
- Why do all decisions have costs?
- Why do people consider the additional costs and benefits of possible actions rather than just the total costs and benefits when making decisions?

<p>offs associated with allocating resources</p> <ul style="list-style-type: none"> • Absolute advantage describes a situation in which an individual, business, or country can produce more of a good or service than any other producer with the same quantity of resources. • Comparative advantage describes a situation in which an individual, business, or country can produce a good or service at a lower opportunity cost than another producer 	
<i>Acquisition</i>	
<p><u>ESSENTIAL KNOWLEDGE</u></p> <p><i>Students will know ...</i></p> <ul style="list-style-type: none"> • Economic trade-offs arise from the lack of sufficient resources (scarcity) to meet society’s wants and needs. • Most factors of production (such as land, labor, and capital) are scarce, but some factors of production (such as established knowledge) may not be scarce due to their non-rival nature. • Production specialization according to comparative advantage, not absolute advantage, results in exchange opportunities that lead to consumption possibilities beyond the PPC. • Total net benefits, the difference between total benefits and total costs, are maximized at the optimal choice. • Marginal analysis involves comparing the additional benefit of increasing a given activity with the additional cost. Comparing marginal benefit (MB) with marginal cost (MC) helps individuals (firms) decide whether to increase, decrease, or maintain their consumption (production) levels. 	<p><u>SUGGESTED SKILLS</u></p> <p><i>Students will be skilled at . . .</i></p> <ul style="list-style-type: none"> • Describing economic concepts, principles, or models. • Identifying an economic concept, principle, or model illustrated by an example • Identifying an economic concept, principle, or model using quantitative data or calculations. • Describing the similarities, differences, and limitations of economic concepts, principles, or models. • Using economic concepts, principles, or models, explain how a specific economic outcome occurs or what action should be taken in order to achieve a specific economic outcome. • Using economic concepts, principles, or models, explain how a specific economic outcome occurs when there are multiple contributing variables or what multiple actions should be taken in order to achieve a specific economic outcome. • Interpreting a specific economic outcome using quantitative data or calculations. • Determining the outcome of an economic situation using economic concepts, principles, or models. • Drawing an accurately labeled graph or visual to represent an economic model or market.

Stage II: Assessment Evidence

STAGE II Assessment Evidence	
Practices	Assessments
AP Classroom Personal Progress Check Scarcity simulation Graphing scenarios	Unit I Test Cost-benefit analysis calculation

	Candy consumption graphing
	Summer assignment

Modifications

Additional time on assessments

Guided notes

Audio/video examples

Study guides

Acceleration

Additional graphing practice

Supplemental readings

Additional free response question practice

Stage III: Learning Plan

Unit I- 2 weeks

- Lesson 1.1: Scarcity/ Resource Allocation and Economic Systems
- Lesson 1.2: Production Possibilities Curve
- Lesson 2.1: Comparative Advantage and Trade/ Cost-Benefit Analysis
- Lesson 2.2 : Marginal Analysis and Consumer Choice
- Lesson 2.3: Sample test practice, graphing

Modifications

Additional time on assessments

Guided notes

Audio/video examples

Study guides

Acceleration

Additional graphing practice

Supplemental readings

Additional free response question practice

Diversity, Equity, & Inclusion

Diversity, Equity & Inclusion

In this unit, students will consider how individuals of various backgrounds and identities weight economic decisions.

Specific Resources for Unit

- [jacob clifford youtube channel](#) & [website](#)
- [Jason Welker youtube channel](#) (has useful videos aligned to the course and a ton of videos about graphs)
- [Review Econ \(Jacob Reed\) youtube channel](#)
- [T-Pock's economics course](#) & [T-Pock youtube channel](#)
- [Wizeprep online course](#)*: (similar to Khan academy but focused on the principles of microeconomics)
- [MRU online course](#)* (has not only review videos but teacher resources, review games, etc to use)
- [Federal Reserve Education](#) (can filter the site based on unit/topic and it will provide lesson plans that you can download as a PDF or link to google classroom)
- [AP micro Khan academy](#)*
- [AP practice exams.com](#) (useful platform with practice questions, links to helpful videos/youtube channels)
- [The Economist youtube channel](#) (various videos pertaining to economics)
- [Economics Explained](#) (various videos pertaining to economics)
- [Think Econ](#) (great resource with many videos pertaining to the course)
- [One minute economics](#) (short videos about different economic topics)
- [UMASS Amherst economics](#) (videos from professors)
- [Department of Economics Oxford U](#)
- [Crash course economics](#) (same as the John Green network making these crash course videos)

- [EconDal](#) (videos from an economics teacher about various topics)
- [lessons for AP micro](#)

Free practice tests/questions:

- [Varsity Tutors](#)
- [High School Test Prep](#)
- [AP Microeconomics Practice Test Room](#)

- [AP Microeconomics Practice Tests](#)

Articles:

- [financial times](#)
- [Albert IO](#)

Technology Integration

Northern supports the integration of the [SAMR Model](#): a framework which extends learning through the use of technology. The installation of interactive boards, the purchase of softwares and subscriptions, and the investment in 1:1 laptops and various other instructional technologies are examples of Northern's commitment to enhancing students' learning and preparing the 21st century learner for college and careers.