

05_Consumer Choices, Allocation, Pricing Structures, and Inflation

Content Area: **Social Studies**
Course(s):
Time Period: **Semester**
Length: **4-5 weeks**
Status: **Published**

General Overview, Course Description or Course Philosophy

Economics CP

In Economics, students will develop skills and strategies that promote personal and financial responsibility related to financial planning, savings, investment, and charitable giving in the global economy. Students will understand how economies around the world interact and how the global economy can impact the lives of everyday people.

OBJECTIVES, ESSENTIAL QUESTIONS, ENDURING UNDERSTANDINGS

Objective(s):

- Students will learn that consumers have choices and how they make those choices will impact their immediate and future financial health
- Students will learn what the difference is between goods and services
- Students will determine how different groups (governments, businesses, individuals) determine how goods and services are allocated
- Students will understand price structures and how pricing links to supply and demand
- Students will learn what inflation is and what economic factors in the market lead to inflation

Essential Question(s):

- How do the choices that consumers make impact their financial health?
- What are goods and services and how are they different?
- What are the factors that determine how goods and services are allocated?
- What are price structures?
- What factors impact pricing and price structures in markets?

Enduring Understanding(s):

- Students will understand that consumers have choices
- Students will understand that making informed, responsible choices can potentially improve a person's financial situation
- Students will understand that governments, businesses, and individuals can determine how goods and services are allocated
- Students will understand that markets exist because of producers and consumers and they determine the prices of goods and services
- Students will understand that prices can inflate due to market issues

CONTENT AREA STANDARDS

SOC.6.1.12.EconGE.16.a	Use quantitative data and other sources to assess the impact of international trade, global business organizations, and overseas competition on the United States economy and workforce.
ECON.12.1.1	Productive resources are limited. Therefore, people cannot have all the goods and services they want; as a result, they must choose some things and give up others.
ECON.12.1.1.1	Choices made by individuals, firms, or government officials are constrained by the resources to which they have access.
ECON.12.1.1.2	Choices made by individuals, firms, or government officials often have long run unintended consequences that can partially or entirely offset or supplement the initial effects of the decision.
ECON.12.2.1	Effective decision making requires comparing the additional costs of alternatives with the additional benefits. Many choices involve doing a little more or a little less of something: few choices are “all or nothing” decisions.
ECON.12.2.1.1	To produce the profit-maximizing level of output and hire the optimal number of workers, and other resources, producers must compare the marginal benefits and marginal costs of producing a little more with the marginal benefits and marginal costs of producing a little less.
ECON.12.2.1.2	To determine the optimal level of a public policy program, voters and government officials must compare the marginal benefits and marginal costs of providing a little more or a little less of the program’s services.
ECON.12.2.1.3	To compare marginal benefits with marginal costs that are realized at different times, benefits and costs must be adjusted to reflect their values at the time a decision is made about them. The adjustment reflects expected returns to investment compounded over time.
ECON.12.2.2	Make effective decisions as consumers, producers, savers, investors, and citizens.
ECON.12.2.2.2	Use the concepts of marginal cost and marginal benefit to evaluate proposals for making your school building more attractive; select the best proposal and defend your decision.
ECON.12.3.1	Different methods can be used to allocate goods and services. People acting individually or collectively must choose which methods to use to allocate different kinds of goods and services.
ECON.12.3.1.1	Comparing the benefits and costs of different allocation methods in order to choose the method that is most appropriate for some specific problem can result in more effective

allocations and a more effective overall allocation system.

ECON.12.3.2	Evaluate different methods of allocating goods and services, by comparing the benefits to the costs of each method.
ECON.12.3.2.1	Examine various allocation methods that are used in different countries, to solve a particular problem, and select the one that provides the most effective method for allocating resources, and explain why this method is effective. Also, assess the effectiveness of various methods for allocating organ transplants, hunting and fishing licenses, elective offices, time with a parent, education resources, health care, and military service.
ECON.12.7.1	A market exists when buyers and sellers interact. This interaction determines market prices and thereby allocates scarce goods and services.
ECON.12.7.1.1	Market outcomes depend on the resources available to buyers and sellers, and on government policies.
ECON.12.7.1.2	A shortage occurs when buyers want to purchase more than producers want to sell at the prevailing price.
ECON.12.7.1.3	A surplus occurs when producers want to sell more than buyers want to purchase at the prevailing price.
ECON.12.8.1	Prices send signals and provide incentives to buyers and sellers. When supply or demand changes, market prices adjust, affecting incentives.
ECON.12.8.2	Predict how changes in factors such as consumers' tastes or producers' technology affect prices.
ECON.12.9.1	Competition among sellers usually lowers costs and prices, and encourages producers to produce what consumers are willing and able to buy. Competition among buyers increases prices and allocates goods and services to those people who are willing and able to pay the most for them.
ECON.12.9.2	Explain how changes in the level of competition in different markets can affect price and output levels.
ECON.12.11.1.4	The annual inflation rate is the percentage change in the average prices of goods and services over a twelve month period.
ECON.12.11.1.5	In the long-run, inflation results from increases in a nation's money supply that exceed increases in its output of goods and services. Global economic activities involve decisions based on national interests, the exchange of different units of exchange, decisions of public and private institutions, and the ability to distribute goods and services safely.

RELATED STANDARDS (Technology, 21st Century Life & Careers, ELA Companion Standards are Required)

LA.W.11-12.1	Write arguments to support claims in an analysis of substantive topics or texts, using valid reasoning and relevant and sufficient evidence.
LA.W.11-12.2	Write informative/explanatory texts to examine and convey complex ideas, concepts, and information clearly and accurately through the effective selection, organization, and analysis of content.
LA.RI.11-12.2	Determine two or more central ideas of a text, and analyze their development and how they interact to provide a complex analysis; provide an objective summary of the text.
LA.RI.11-12.3	Analyze a complex set of ideas or sequence of events and explain how specific individuals, ideas, or events interact and develop over the course of the text.
LA.RI.11-12.7	Integrate and evaluate multiple sources of information presented in different media or

	formats (e.g., visually, quantitatively) as well as in words in order to address a question or solve a problem.
PFL.9.1.2.FP.1	Explain how emotions influence whether a person spends or saves.
PFL.9.1.2.FP.2	Differentiate between financial wants and needs.
PFL.9.1.2.FP.3	Identify the factors that influence people to spend or save (e.g., commercials, family, culture, society).
TECH.9.4.12.CI.1	Demonstrate the ability to reflect, analyze, and use creative skills and ideas (e.g., 1.1.12prof.CR3a).
TECH.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).
TECH.9.4.12.CT.2	Explain the potential benefits of collaborating to enhance critical thinking and problem solving (e.g., 1.3E.12profCR3.a).
TECH.9.4.12.IML.1	Compare search browsers and recognize features that allow for filtering of information.
TECH.9.4.12.IML.2	Evaluate digital sources for timeliness, accuracy, perspective, credibility of the source, and relevance of information, in media, data, or other resources (e.g., NJLSA.W8, Social Studies Practice: Gathering and Evaluating Sources).

STUDENT LEARNING TARGETS

Refer to the 'Declarative Knowledge' and 'Procedural Knowledge' sections.

Declarative Knowledge

Students will understand that:

- Making informed, responsible choices can potentially improve a person's financial situation
- Supply and demand is a basic economic principle of a capitalist economy
- Supply and demand can impact the prices and price structures of goods and services
- Institutions and individuals can impact the allocation of goods and services

Procedural Knowledge

Students will be able to:

- Examine how consumers make choices and how those choices can impact their economic health
- Explain the principle of supply and demand
- Determine how supply and demand of consumers and institutions affects pricing and pricing structures
- Examine how global issues and markets can impact supply and demand and pricing

- Determine how consumers and institutions influence the allocation of goods and services

EVIDENCE OF LEARNING

Refer to the 'Formative Assessments' and 'Summative Assessments' sections.

Alternate Assessments

- Portfolios
- Verbal Assessment (instead of written)
- Multiple choice
- Modified Rubrics
- Performance Based Assessments

Benchmark Assessments

- Benchmark Assessments using Pear Assessments three times per year

Formative Assessments

For this unit, formative assessments can/will include:

- Do nows
- Debates
- Polls
- Reading assignments with questions

Summative Assessments

For this unit, summative assessments can/will include:

- Teacher created quizzes and tests
- Essays
- Project on consumer choices

RESOURCES (Instructional, Supplemental, Intervention Materials)

Resources Include:

- <http://www.econlib.org/library/Enc/StandardsofLivingandModernEconomicGrowth.htm>
1
- <https://www.nytimes.com/interactive/2017/08/07/opinion/leonhardt-income-inequality.html>
- News articles
- Magazine articles
- Businessweek.com
- Forbes.com

INTERDISCIPLINARY CONNECTIONS

Technology/Multimedia

Video case studies

Audio/visual media analysis

Research based writing

Google

Media literacy

Educational tech applications

Math

Financial/Economic/Business/Entrepreneurial Literacy

English Language Arts

Speech/Debate

Informational writing

Career Readiness

Employ valid and reliable research strategies.

Utilize critical thinking to make sense of problems and persevere in solving them.

Literary responses (critical)

ACCOMMODATIONS & MODIFICATIONS FOR SUBGROUPS

See link to Accommodations & Modifications document in course folder.