



Arkansas Social Studies Standards

What Citizens Need to Know About Economics
addresses select Arkansas Social Studies Standards for the economics component of
the social studies curriculum grades 9-12.



ARKANSAS SOCIAL STUDIES STANDARDS FOR GRADES 9-12

Arkansas Social Studies Standards Rationale

The Arkansas social studies standards reflect the integrated field of the social studies as well as the major concepts and skills of the primary disciplines within the social studies. The five strands and numerous content standards provide a broad conceptual framework which teachers can utilize to organize integrated social studies units for the lower grades or discipline-based curriculum in the higher grades. Student learning expectations define what students must demonstrate proficiently that they know and are able to do by the end of the grade cluster. They are designed to be cumulative and build with complexity throughout the grade level groupings.

Teachers may seek greater specificity in subject content of the standards and judge them as less useful than detailed subject-based standards, but the Arkansas social studies standards were intended to be broad and more general than specific so that teachers can easily fit their respective content into the overall strands and concepts. In this way, districts, schools, and teachers have greater flexibility in addressing the rich and varied disciplines within this area of the curriculum. Please see the complete Introduction to these Standards for additional explanation and background.

Economics

Economics is a discipline with a K-12 focus on "the study of basic economic concepts which enable students to reason logically about key economic issues that affect their lives as workers, consumers, and citizens. Facts about the American economy including its size and the current rates of unemployment, inflation, and interest are explored in economics courses. Differing views on economic issues are investigated. Skills, as well as content, play an important part in economic reasoning. The key skills students must develop in economics include an ability to (a) identify economic problems, alternatives, benefits and costs; (b) analyze the incentive at work in an economic situation; (c) examine the consequences of changes in economic conditions and public policies; (d) collect and organize economic evidence; and (e) compare benefits with costs." (From the National Council on Economic Education)

STRAND 3: PRODUCTION, DISTRIBUTION, AND CONSUMPTION

CONTENT STANDARD 1:

Students will demonstrate an understanding that different economic systems and limited resources influence cooperation and conflict in decision making.

GRADES 9-12 (STUDENT LEARNING EXPECTATIONS)

PDC.1.1. Demonstrate an understanding of scarcity, choice, and resource allocation.

- *Chapter 1 defines economics as the study of the allocation of scarce resources. Key concepts and terms, such as scarcity, economic goods and economic services, are defined. Related articles and Web sites are included for more information and specific examples.*
- *Chapter 2 explains how scarcity requires economic choices about the allocation of resources. The use of the production possibilities curve to assess economic choices is explained and illustrated with a graphic. Examples are provided and related articles and Web sites include more examples. The importance of natural resources is stressed and related articles and Web sites present current statistics on the abundance of natural resources in the United States and other countries.*
- *Chapter 22 describes how resource allocation influences foreign trade. Key concepts and terms like specialization and comparative advantage are defined. Related articles and Web sites include current statistics on the allocation of resources and the impact on foreign trade. The U.S. dependency on foreign oil is cited as an example and a Web link is included to the Organization of Petroleum Exporting Countries for more information on how vital resources are distributed in the global economy.*

PDC.1.2. Describe the roles that location, supply and demand, prices, and profits play in determining what is produced and distributed in a market system.

- *Chapter 4 describes the role of consumers in determining what is produced and distributed in a market system. The interaction between the consumer and businesses is explained and illustrated with a graphic. Key concepts and terms like caveat emptor and diminishing utility are defined. Links are included to consumer protection Web sites maintained by the government and consumer watchdog organizations.*
- *Chapter 7 identifies incentives, such as profit and property rights, that encourage entrepreneurs to accept the risks involved in organizing the factors of production. The role of the entrepreneur is described and links are available to biographies of successful entrepreneurs like Ray Kroc, the founder of McDonald's, and Bill Gates, the founder of Microsoft.*
- *Chapter 8 examines how supply, demand and prices interact. Graphics and examples are provided throughout the chapter to illustrate these relationships. Key terms, such as substitute goods and elasticity, are defined. Related articles and Web sites include more information and specific examples.*

- *Chapter 22 explores the role of location in determining what is produced and distributed in a market system in the context of foreign trade. The impact of the location of natural resources on trade is discussed and terms, such as specialization and comparative advantage, are defined. The U.S. dependency on foreign oil is cited as an example and the debate over drilling in the Arctic National Wildlife Refuge is presented. A link is included to the Web site of the Organization of Petroleum Exporting Countries to provide more information on how goods are distributed in the global economy and related articles and Web sites present opposing views on ways to deal with dependency on foreign goods.*

PDC.1.3. Compare economic systems and how they answer economic questions as to what, how, and for whom to produce goods and services.

- *Chapter 2 identifies the basic questions of economics as being: what, how and for whom to produce goods and services. A graphic is included to illustrate how the questions interact in an economic system. Related articles and Web sites are available for more information and specific examples.*
- *Chapter 3 describes the different economic systems that have been created to address those economic questions. Different types of economic systems—traditional, command, market and mixed—are identified and examples of each are cited. A comparison of capitalism, socialism and communism is also presented and examples of each are given. Important economic philosophers, such as Adam Smith and Karl Marx, are highlighted and links are included to their biographies and the complete texts of their most influential works.*

PDC.1.4. Identify present day choices and illustrate that these choices have important future consequences.

- *Chapter 2 explores choices and consequences associated with economic decisions. The use of the production possibilities curve to evaluate economic choices is explained and illustrated with a graphic. Key concepts, such as opportunity cost and consumption, are defined. Related articles and Web sites include specific examples.*
- *Chapter 6 describes the consequences of poor economic decisions in the context of consumer credit. Key terms like debt and bankruptcy are defined. The use of household budgets to manage debt is explored. A graphic of a household budget is included and can be downloaded and used as a worksheet to create a personal budget.*
- *Chapter 12 explains how government policy-makers must consider future consequences of economic choices when planning the national budget. Key concepts, such as externalities and cost/benefit ratios, are discussed. The national budget-making process is described and illustrated with a graphic. Links are provided to the Web sites of many government agencies involved in the budget process like the Office of Management and Budget and the Congressional Budget Office.*

- *Related articles and Web sites linked to every chapter identify present day economic choices and consequences associated with the topics covered in the various chapters.*

PDC.1.5. Apply economic concepts and economic reasoning to historical and contemporary social and political development.

- *Related articles and Web sites linked to every chapter identify historical and contemporary social and political developments and explore the economic concepts and reasoning associated with those developments.*
- *Learning tools linked to every chapter provide students with worksheets that can be used to apply economic concepts and reasoning skills to historical and contemporary social and political developments. Learning Tool activities include: Understanding Basic Knowledge, Problem Solving, Analyzing Graphs and Charts, and Map Skills. These worksheets can be used in conjunction with the text, related articles, Web sites or other textbooks.*
- *A link to the Glossary of Key Concepts and Terms is available from every chapter and all glossary terms are highlighted in the text to help students understand economic concepts and build a stronger economic vocabulary.*
- *Many activities in the Educator's Guide involve students applying economic concepts and reasoning to historical and contemporary social and political developments.*

PDC.1.6. Distinguish between domestic and international economic systems and explain how the two interact.

- *Chapter 23 distinguishes between domestic and international economic systems and explains how the two interact in an interdependent global economy. The impact of national events on the global economy is discussed and the U.S. decision in 1971 to abandon the gold standard and the 1997 Asian financial crisis are cited as examples. Web links are included to supranational organizations that operate in the global economy, such as the World Trade Organization and the International Monetary Fund. Related articles and Web sites identify current issues that have implications for domestic and international economic systems.*

PCD.1.7. Analyze the role of specialization in the exchange of economic goods and services.

- Chapter 22 discusses the role of specialization in the exchange of economic goods and services. Key terms like specialization and comparative advantage are defined. The impact of barriers to trade on domestic and international economies is explored and related articles and Web sites present opposing views on the free trade debate. The rise of regional trade organizations is presented and links are included to the Web sites of such organizations as the North American Free Trade Agreement and the European Union.

PCD.1.8. Compare how values and beliefs influence economic decisions in different societies.

- Chapter 3 explains how values and beliefs influence economic decisions in different societies. Different types of economic systems—traditional, command, market and mixed—are identified. The traditional caste system of India is compared to the command systems of ancient Egypt and the former Soviet Union. Related articles and Web sites provide more information. A comparison of capitalism, socialism and communism is also presented and examples are given.

PCD.1.9. Explore public issues related to resource allocation by applying techniques, such as brainstorming, data analysis, simulations, and/or scenario writing,

- Chapter 12 explains the process by which public officials address issues related to resource allocation, in the context of the federal budget-making process. Key terms like externalities and cost/benefit ratios are defined. Web links are included to all government agencies involved in the budget process, including the Office of Management and Budget and the Congressional Budget Office. An activity for this chapter in the Educator's Guide requires students to work in groups and recreate the budget process of the federal government.
- Activities for every chapter in the Educator's Guide require students to apply techniques, such as brainstorming, data analysis, simulations, and/or scenario writing.