



North Dakota Standards and Benchmarks—Social Studies

What Citizens Need to Know About Economics

addresses North Dakota Standards and Benchmarks for the economics component of the social studies curriculum grades 9-12.



Standard 3: ECONOMIC SYSTEMS

Students understand different types of economic systems.

Benchmark (Grades 9-12)

12.3.1 Understand the principles and problems of traditional, command, market, and mixed economies.

Examples of Specific Knowledge that Support the Standard and Benchmarks

12.3.1 Individual roles as producers/consumers/workers/savers/investors; role of government allocation of resources; decision making

- *Chapter 1 explains how economics is the study of the allocation of scarce resources. The role of government in providing goods and services that the public sector is unable or unwilling to provide is discussed. Links to related articles and Web sites are available for more information and specific examples.*
- *Chapter 3 defines the various economic systems—traditional, command, market and mixed economies—and provides examples of each. A comparison of capitalism, socialism and communism is also presented. The underlying principles of each type of economic system are identified and problems with the different economic systems are addressed. 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.*
- *Chapter 4 discusses the individual's role as a consumer. The interrelationship between consumers and businesses is described and illustrated with a graphic. Key concepts and terms like caveat emptor and conspicuous consumption are defined. Consumer protection issues are addressed and links are included to consumer protection Web sites maintained by the government and consumer watchdog groups.*

- *Chapter 7 explores the roles of producers and investors. The risks associated with business ventures are examined and different types of businesses are identified. The role of the entrepreneur in organizing the factors of production is described and links to biographies of successful entrepreneurs, such as Ray Kroc, the founder of McDonald's, and Bill Gates, the founder of Microsoft, are provided. The role of investors in providing capital to corporations is discussed and illustrated with a graphic. Web links are included to stock and commodity exchanges around the world, including the New York Stock Exchange, the Chicago Mercantile Exchange and the London Stock Exchange.*
- *Chapter 10 examines the role of workers in economic systems. Factors that determine employment compensation are identified. A history of labor in the United States is presented and the role of labor unions is described. Tools of labor organizations, such as collective bargaining and strikes, are explored. The role of government in regulating labor/management relations is highlighted and links are included to the full text of important government legislation like the National Labor Relations Act and the Taft-Hartley Act. Web links are also available to major labor organizations, such as the Teamsters and the AFL-CIO.*
- *Chapter 11 discusses the role of savers and borrowers in the economy. The way saving and lending increases the money supply is explained and illustrated with a graphic. The role of the Federal Reserve System in maintaining a stable money supply is explored and Web links are included to all branches of the Federal Reserve for more information.*
- *Chapter 12 describes the role of government in the U.S. economic system. The responsibilities of local, state and national governments are explained and graphics highlight income and spending categories of state and local governments. Links are included to all state and local government Web sites. The decision-making process of government is explained in the context of the federal budget. Concepts, such as cost/benefit ratios and externalities, are explored. Web links are included to various government agencies involved in the budget process, including the Office of Management and Budget and the Congressional Budget Office. The role of government in regulating economic activities is also addressed and Web links are included to many government regulatory agencies, such as the Environmental Protection Agency and the Federal Trade Commission.*

Benchmark (Grades 9-12)

12.3.2 Understand how major economic forces and institutions influence individual decisions of producers, consumers and investors.

Examples of Specific Knowledge that Support the Standard and Benchmarks

12.3.2 Scarcity, opportunity cost, monetary policy, fiscal policy, supply and demand, stock market, cost-benefit concept, credit, financial institutions, inflation, deflation, unemployment, environment, competition, productivity, economic indicators, role of government in economics

- *Chapter 1 explains how economic indicators are used to determine the health of the economy. All major economic indicators (e.g., gross domestic product, consumer price index, unemployment) are identified and graphics are included to illustrate long-term trends. Links to related articles and Web sites include the most current statistics and analysis of U.S. economic indicators.*
- *Chapter 2 explains how economic choices are based on scarcity and opportunity cost. These terms are defined, as are other terms like factors of production and consumption. The production possibilities curve is described and illustrated with a graphic. Links to related articles and Web sites are included for more information.*
- *Chapter 5 explains how inflation and deflation impact individuals and the economy as a whole. The use of the consumer price index (CPI) to calculate inflation or deflation is explained and its accuracy is debated. Links to related articles and Web sites include the most current CPI statistics and a Web link is available to a program that uses CPI to compare the value of the U.S. dollar during different time periods in U.S. history.*
- *Chapter 6 explores the benefits and drawbacks of consumer credit. Proper credit management is stressed and the ramifications of poor credit decisions are identified. Key concepts and terms, such as debt and bankruptcy, are defined. The use of household budgets to maintain proper credit is discussed and a graphic of a household budget can be downloaded and used as a worksheet to create a personal budget.*
- *Chapter 7 discusses the role of the stock market in providing investment capital to businesses. Web links are available to stock exchanges around the world, including the New York Stock Exchange, the London Stock Exchange and the Tokyo Stock Exchange. An activity for this chapter in the Educator's Guide suggests students invest an imaginary sum of money in the stock market and chart its progress over a specified period of time.*
- *Chapter 8 provides an overview of the laws of supply and demand. The interaction of supply, demand and prices is explained. Examples and graphics are included throughout the chapter to illustrate the relationships among supply, demand and prices. Key concepts and terms, such as substitute goods and new buyer effect, are defined. Links to related articles and Web sites are available for more information and more examples.*
- *Chapter 9 reflects on competition in the marketplace. Key concepts and terms, such as pure competition, monopoly and oligopoly, are defined. The role of government in maintaining competition is discussed and links are included to the full text of important government legislation like the Sherman Antitrust Act and the Robinson-Patman Act.*
- *Chapter 11 discusses the role of financial institutions in the marketplace. A history of money and banking is presented and different types of banks are identified. The role of the Federal Reserve System is described and Web links are included to all branches of the Federal Reserve for more information.*

- *Chapter 12 explores the role of government in the U.S. economy. The use of cost/benefit ratios to determine what programs to fund is explained and the Federal budget-making process is described and illustrated with a graphic. Web links are included to government agencies involved in the budget process, such as the Office of Management and Budget and the Congressional Budget Office. Regulatory powers of the federal government are also highlighted and Web links are provided to various government regulatory agencies like the Occupational Safety and Health Administration and the Securities and Exchange Commission.*
- *Chapter 15 discusses issues associated with economic growth. Problems associated with economic growth, such as environmental concerns, are addressed. The use of cost/benefit analysis is explained. Issues associated with productivity are explored and concepts like multiplier effect and accelerator effect are defined.*
- *Chapter 17 describes monetary and fiscal policy goals and explains how they are used to maintain a stable economy. Different monetary and fiscal policy tools, such as open market operations and deficit financing, are identified. The debate between Keynesian and supply-side economists is explored. Related articles and Web sites include current information on U.S. monetary and fiscal policy decisions and opposing views on the best ways to stabilize the economy.*
- *Chapter 19 explains how unemployment impacts individuals and the economy as a whole. The way unemployment statistics are calculated is described and terms, such as structural unemployment and displaced workers, are defined. Links to related articles and Web sites include the most current unemployment statistics from the government and analysis of those figures.*

Benchmark (Grades 9-12)

12.3.3 Understand how interdependence affects the global marketplace.

Examples of Specific Knowledge that Support the Standard and Benchmarks

12.3.3 Comparative/absolute advantage, specialization, balance of payments, North American Free Trade Association, World Trade Organization, European Union, International Monetary Fund, Global-7, multinationals, trade policies – Most Favored Nation, foreign exchange rates, environmental and child labor issues, market structure and exchange

- *Chapter 10 discusses child labor issues and explains how the issue was addressed in the United States and the status of the issue in developing countries. The role of labor unions in fighting for child labor laws and minimum wage laws is explored and Web links are included to major labor organizations, including the AFL-CIO and the Teamsters.*

- *Chapter 22 explores issues associated with foreign trade. Key concepts and terms like comparative advantage and specialization are defined. A history of U.S. trade policy is presented and the rise of multinationals is highlighted. The environmental aspects of foreign trade are examined and the debate over drilling for oil in the Arctic National Wildlife Refuge is cited as an example. The application of Most Favored Nation trade status and the formation of regional trade associations like the North American Free Trade Agreement and the European Union are discussed. Links are available to these and other regional trade association Web sites.*
- *Chapter 23 explains how the rise in foreign trade and technology has led to an interdependent global economy. The global market structure and exchange is described and the use of foreign exchange rates is explored. Key concepts and terms like balance of payments and special drawing rights are defined. Supranational organizations that operate in the global economy are highlighted and Web links are included to such organizations as the World Trade Organization, the International Monetary Fund and the Group of Eight (formerly known as the Global-7, G-7). A Web link is also available to a program that calculates the current exchange rate for the U.S. dollar and other currencies.*