



Virginia Standards of Learning for History and Social Science

What Citizens Need to Know About Economics
addresses Virginia Standards of Learning for the economics component of the
Civics and Economics curriculum.



*Please refer to the Interactive Citizenship book What Citizens Need to Know About
Government for correlations to the civics component of the curriculum.*

**Standard CE.9: The student will demonstrate knowledge of how economic decisions
are made in the marketplace by:**

a) applying the concepts of scarcity, resources, choice, opportunity cost, price,
incentives, supply and demand, production, and consumption.

- *Chapter 2 explains how economics attempts to answer the question of how to distribute scarce resources. The concept of factors of production—land, labor and capital—is defined and Web links provide current information on U.S. natural resources and labor statistics.*
- *Chapter 4 explains how consumers make choices. Consumer protection is discussed and Web links are available to consumer protection sites from the government and watchdog organizations.*
- *Chapter 8 defines the laws of supply and demand and explains how they work to determine the prices of goods and services. The concepts of complementary and substitute goods are discussed. Graphics are provided to help illustrate these ideas.*
- *Chapter 12 defines the term opportunity cost in the context of the governmental decision-making process. Related articles and Web sites are available for further research.*

b) comparing the differences among free market, command, and mixed economies.

- *Chapter 3 identifies the differences among free market, command and mixed economies. An in-depth comparison of capitalism, socialism, communism and mixed economies is provided and Web links are available to biographies and the complete texts of influential works of famous economic philosophers, such as Adam Smith and Karl Marx.*

c) describing the characteristics of the United States economy, including free markets, private property, profit, and competition.

- Chapter 3 defines the United States as a mixed economy with an emphasis on the capitalist system defined by Adam Smith. Web links provide a biography of Adam Smith and the complete texts of his most influential works.

Standard CE.10: The student will demonstrate knowledge of the structure and operation of the United States economy by:

a) describing the types of business organizations and the role of entrepreneurship.

- Chapter 7 explores the roles of business organizations and entrepreneurs in the economic system. Different types of businesses are defined. Biographies of successful American entrepreneurs, such as Ray Kroc, the founder of McDonald's, and Bill Gates, the founder of Microsoft, are available through Web links.

b) explaining the circular flow that shows how consumers (households), businesses (producers), and markets interact.

- Chapter 4 explores the role of consumers in the economic system and their interaction with businesses. The circular flow of production is illustrated with a graphic.
- Chapter 7 examines the interaction of businesses, consumers and markets. The concept of how investment capital from the stock market, businesses and consumers interact is discussed and illustrated with a graphic. Web links to major stock exchanges around the world from New York to London to Tokyo are provided for current information.

c) explaining how financial institutions encourage saving and investing.

- Chapter 11 explains how financial institutions work. Different types of banks—commercial banks, mutual savings banks, savings and loans and credit unions—are defined. The role of the Federal Reserve System is described and Web links are provided.

d) examining the relationship of Virginia and the United States to the global economy, with emphasis on the impact of technological innovations.

- *Chapter 22 explores issues associated with foreign trade. A history of U.S. foreign trade policy is provided and Web links are available to major international trade organizations such as the North American Free Trade Agreement and the European Union.*
- *Chapter 23 examines the interdependence of countries in the new global economy that has come about due to technological innovations. Web links to influential international organizations such as the World Bank and the International Monetary Fund are provided.*

Standard CE.11: The student will demonstrate knowledge of the role of government in the United States economy by:

a) examining competition in the marketplace.

- *Chapter 9 describes how the United States government has responded to monopolistic practices of businesses through the passage and enforcement of antitrust legislation. Links are provided to the complete texts of influential governmental legislation such as the Sherman Antitrust Act, the Clayton Antitrust Act and the Robinson-Patman Act for further insight.*
- *Chapter 12 explores the role of government in the economic system. The regulating powers of government are discussed and Web links to major governmental agencies, such as the Environmental Protection Agency, the Federal Communications Commission and the Federal Trade Commission, are provided for current information.*

b) explaining the creation of public goods and services.

- *Chapter 1 differentiates between the public and private sectors of the economy and describes how governments perform tasks that individuals are unwilling or unable to do. Related articles and Web sites are provided for further research.*
- *Chapter 12 describes the roles of federal, state and local governments to provide goods and services, such as schools and highways, to the public. Web links to state and local governments are provided along with links to many agencies of the federal government.*
- *Chapter 13 explains how taxes are used to provide goods and services to the public. Web links to governmental agencies such as the Internal Revenue Service are available for current information.*

c) describing the impact of taxation, including an understanding of the reasons for the 16th Amendment, spending, and borrowing.

- *Chapter 13 explains how the federal, state and local governments collect taxes and how they are used to pay for public goods and services. A history of taxation in the United States is provided along with a link to the complete text of the 16th Amendment.*
- *Chapter 17 describes how the government regulates economic activity through monetary and fiscal policy. The impact of governmental spending and borrowing is discussed, as is the debate between supply-side and Keynesian economists.*

d) explaining how the Federal Reserve System regulates the money supply.

- *Chapter 11 describes the role of the Federal Reserve System in maintaining a stable money supply. Web links to all 12 Federal Reserve Banks are provided for more information.*
- *Chapter 17 describes how the Federal Reserve System uses monetary policies to stabilize the economy. A web link to the Federal Open Market Committee is available for current information on monetary policy.*

e) describing the protection of consumer rights and property rights.

- *Chapter 3 identifies property rights as a key component of a capitalist economic system. A comparison of capitalism, socialism, communism and mixed economies is provided along with Web links to biographies and the complete texts of the influential works of major economic philosophers.*
- *Chapter 4 explores consumer rights and consumer protection. Web links to consumer protection agencies run by the government and watchdog organizations are provided for information on current consumer protection issues, such as the consumers' right to privacy.*
- *Chapter 12 describes the role of the government to protect consumers. Web links to governmental regulatory agencies, such as the Consumer Product Safety Commission and the Food and Drug Administration, are provided for more information.*

Standard CE.12: The student will demonstrate knowledge of career opportunities by:

- a) identifying talents, interests, and aspirations that influence career choice;
- b) identifying attitudes and behaviors that strengthen the individual work ethic and promote career success;
- c) identifying skills and education that careers require;
- d) examining the impact of technological change on career opportunities.

- Chapter 11 explores issues associated with the labor market. The impact of technological changes on career opportunities is discussed. Web links to governmental agencies, such as America's Job Bank and the Employment and Training Administration, are available. A Web link is also provided to the Occupational Outlook Handbook, which presents current information on requirements for different careers and forecasts of career opportunities in many different fields of work.