
Social Studies: Grade 12 Economics

Economics

In this semester course, students will comprehend the fundamental economic concepts, applying the tools of graphing, statistics, and equations from other subject areas to gain an understanding of the operation and institution of economic systems. Studied in a historical context are the basic economic principles of micro and macroeconomics, international economics, comparative economic systems, measurement, and methods. Discussions and analyses of contemporary economic problems and issues underpin the entire course.

Standard: 12SSE1: Students understand common economic terms, concepts, and economic reasoning and make connections to their daily lives.

- Components: 12SSE1.a:** Examine the causal relationship between scarcity and the need for choices.
- 12SSE1.b:** Explain opportunity cost, marginal benefit and marginal cost.
- 12SSE1.c:** Identify the difference between monetary and non-monetary incentives and how changes in incentives cause changes in behavior.
- 12SSE1.d** Evaluate the role of private property as an incentive in conserving and improving scarce resources, including renewable and nonrenewable natural resources.
- 12SSE1.e** Analyze the role of a market economy in establishing and preserving political and personal liberty.
Example: Through the works of Adam Smith

Standard: 12SSE2 Students analyze the elements of America's market economy in a global setting and its impact on their community, state, country or host nation.

- Components: 12SSE2.a** Understand the relationship of the concept of incentives to the law of supply, and the relationship of the concept of incentives and substitutes to the law of demand.
- 12SSE2.b** Trace the effects of changes in supply and/or demand on the relative scarcity, price, and quantity of particular products.
- 12SSE2.c** Explain the roles of property rights, competition, and profit in a market economy.
- 12SSE2.d** Analyze how prices reflect the relative scarcity of goods and services and perform an allocative function in a market economy.
- 12SSE2.e** Examine the process by which competition among buyers and sellers determines a market price.
- 12SSE2.f** Identify the effect of price controls on buyers and sellers.
- 12SSE2.g** Analyze how domestic and international competition in a market economy affects goods and services produced and the quality, quantity, and price of those products.

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- 12SSE2.h** Evaluate the role of profit as the incentive to entrepreneurs in a market economy.
- 12SSE2.i** Describe the functions of the financial markets.
- 12SSE2.j** Analyze the economic principles that guide the location of agricultural production and industry and the spatial distribution of transportation and retail facilities.

Standard: **12SSE3** **Students analyze the influence of the federal government on the American economy.**

- Components:** **12SSE3.a** Evaluate how the role of government in a market economy often includes providing for national defense, addressing environmental concerns, defining and enforcing property rights, attempting to make markets more competitive, and protecting consumers' rights.
- 12SSE3.b** Identify the factors that may cause the cost of government actions to outweigh the benefits.
- 12SSE3.c** Compare the aims of government fiscal policies (taxation, borrowing, spending) and their influence on production, employment, and price levels.
- 12SSE3.d** Analyze the aims and tools of monetary policy and their influence on economic activity.
Example: The Federal Reserve

Standard: **12SSE4** **Students analyze the elements of the U.S. labor market in a global setting.**

- Components:** **12SSE4.a** Illustrate the operations of the labor market, including the circumstances surrounding the establishment of principal American labor unions, procedures that unions use to gain benefits for their members, the effects of unionization, the minimum wage, and unemployment insurance.
- 12SSE4.b** Analyze the current economy and labor market, including the types of goods and services produced, the types of skills workers need, the effects of rapid technological change, and the impact of international competition.
- 12SSE4.c** Evaluate wage differences among jobs and professions, using the laws of demand and supply and the concept of productivity.
- 12SSE4.d** Summarize the effects of international mobility of capital and labor on the U.S. economy.

Standard: **12SSE5** **Students analyze the aggregate economic behavior of the U.S. economy.**

- Components:** **12SSE5.a** Distinguish between nominal and real data.

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| | 12SSE5.b | Define, calculate, and explain the significance of unemployment rate, the number of new jobs created monthly, inflation or deflation rate, and a rate of economic growth. |
| | 12SSE5.c | Distinguish between short-term and long-term interest rates and explain their relative significance. |
| | 12SSE5.d | Identify the economic incentives provided for the individual by the United States government. |
| Standard: | 12SSE6 | Students analyze issues of international trade and explain how the U.S. economy affects, and is affected by, economic forces beyond the United State’s borders. |
| Components: | 12SSE6.a | Analyze the gains in consumption and production efficiency from trade, with emphasis on the main products and changing geographic patterns of twentieth-century trade among countries in the Western Hemisphere. |
| | 12SSE6.b | Compare the reasons for the effects of trade restrictions during the Great depression compared with present-day arguments among labor, business, and political leaders over the effects of free trade on the economic and social interests of various groups of Americans. |
| | 12SSE6.c | Interpret the changing role of international political borders and territorial sovereignty in a global economy. |
| | 12SSE6.d | Explain foreign exchange, the manner in which exchange rates are determined, and the effects of the dollar’s gaining (or losing) value relative to other currencies. |
| Standard: | 12SSE7 | Students analyze issues of personal finance and decision-making, and apply reliable information to personal financial decisions. |
| Components: | 12SSE7.a | Find and evaluate financial information from a variety of sources and make financial decisions by systematically considering alternatives and consequences. <i>Examples: short-, medium, long-term financial goals and creating a personal budget</i> |
| | 12SSE7.b | Develop a plan for spending and saving. |
| | 12SSE7.c | Assess personal actions necessary for improving creditworthiness, borrowing at favorable terms, and managing debt. <i>Examples: consumer cost of borrowing, credit card disclosure, interest calculation and fees, reducing credit with minimum payment versus above-minimum payments, types of borrowing, and financial laws</i> |
| | 12SSE7.d | Develop a diversified investment strategy that is compatible with personal goals. <i>Examples: saving, investing, returns, inflation, taxation and sources</i> |

of retirement income

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