

Social Studies: Economics Grade 8 Extension

Archdiocese of Washington Core Standards for Economics Grade 8 Extension

Core Standard	1	Core Standard	4
<p><i>Scarcity and Economic Reasoning</i></p> <p>Use models (e.g., production possibilities curve, decision-making grid) to illustrate the concepts of scarcity, choice, opportunity costs, and economic growth. Identify and define each type of productive resource and explain the economic problem of limited resources.</p> <p>[Standard Indicators: E8E.1.1, E8E.1.2, E8E.1.3, E8E.1.8]</p>		<p><i>Supply and Demand</i></p> <p>Explain how supply, demand, price, and profits guide production and distribution in a market economy. Define the concepts of equilibrium price and price elasticity. Describe factors that change supply and demand (e.g., changing tastes and preferences, income level, prices of related goods, input costs, changes in technology). Explain the effects of government price controls on markets (e.g., shortages and surpluses).</p> <p>[Standard Indicators: E8E.2.1, E8E.2.2, E8E.2.3, E8E.2.4, E8E.2.6, E8E.2.7, E8E.2.8, E8E.2.9, E8E.2.10, E8E.2.11]</p>	
Core Standard	2	Core Standard	5
<p><i>Incentives and Economic Activity</i></p> <p>Give examples of ways in which people respond predictably to positive and negative incentives. Use a circular flow model to illustrate that voluntary exchange occurs in markets and that all participating parties expect to gain.</p> <p>[Standard Indicators: E8E.1.4, E8E.1.5, E8E.1.9, E8E.2.5, E8E.3.3]</p>		<p><i>Market Structures</i></p> <p>Compare and contrast types of business organizations (i.e., sole proprietorship, partnership, and corporation). Use marginal analysis to determine how firms make decisions about production and cost. Compare and contrast market structures (e.g., competitive, monopoly, oligopoly, monopolistic competition, pure price competition). Describe how the government regulates and protects competition.</p> <p>[Standard Indicators: E8E.1.1, E8E.3.4, E8E.3.5, E8E.3.6, E8E.3.7, E8E.3.8, E8E.3.9, E8E.3.10]</p>	
Core Standard	3	Core Standard	6
<p><i>Economic Systems</i></p> <p>Compare and contrast fundamental characteristics of different types of economies, including how each type of system answers the questions: <i>What to produce? How to produce? For whom to produce?</i></p> <p>[Standard Indicators: E8E.1.6, E8E.1.7]</p>		<p><i>Functions of Government in the Economy</i></p> <p>Explain the basic functions of government in a market economy and describe how government responds to market failures (e.g., by providing public goods and services, by dealing with positive and negative spill-over, promoting competition). Describe how costs of government policies may exceed the benefits of those policies.</p> <p>[Standard Indicators: E8E.3.8, E8E.4.1, E8E.4.2, E8E.4.3, E8E.4.9]</p>	

Core Standard	7	Core Standard	10
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Government Income and Expenditures

Illustrate progressive, proportional, and regressive taxation by analyzing specific types of taxes (e.g., federal income, sales, FICA) and connecting them to major expenditure categories for all levels of government. Predict how future changes in government spending and taxation could affect individuals and the economy at large.

[Standard Indicators: E8E.4.4, E8E.4.5, E8E.4.6, E8E.4.7, E8E.4.8, E8E.4.9]

Stabilization Policies

Compare and contrast monetary and fiscal policies of the United States government, including how each affects purchasing decisions of producers and consumers. Discuss how these policies can be used to address inflation and unemployment.

[Standard Indicators: E8E.7.1, E8E.7.2, E8E.7.4, E8E.7.5, E8E.7.6, E8E.7.7, E8E.7.8]

Core Standard	8	Core Standard	11
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Measuring Economic Performance

Explain how Gross Domestic Product, unemployment, and inflation are calculated and discuss their limitations as indicators. Describe causes of inflation and unemployment. Describe how they are influenced by aggregate supply and aggregate demand. Describe how inflation affects people, businesses, and institutions.

[Standard Indicators: E8E.5.1, E8E.5.2, E8E.5.3, E8E.5.4, E8E.5.6, E8E.5.7, E8E.5.8, E8E.5.9, E8E.5.10, E8E.5.11, E8E.7.3, E8E.7.4]

Stabilization Policies

Evaluate the arguments for and against free trade, “fair trade,” and protectionism including the influence of comparative advantage. Discuss how and why countries sometimes erect barriers to trade. Describe incentives, including the impact of exchange rates, for American and foreign individuals, companies and governments to invest in other countries.

[Standard Indicators: E8E.8.1, E8E.8.2, E8E.8.3, E8E.8.4, E8E.8.5, E8E.8.6, E8E.8.7, E8E.8.8, E8E.8.9]

Core Standard	9
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Money and Financial Institutions

Explain the basic functions and characteristics of money. Explain the role of banks and other financial institutions (including the Federal Reserve) in the economy and explain how banks create money through fractional reserve banking. Compare and contrast saving and investment and monitor financial investments.

[Standard Indicators: E8E.6.1, E8E.6.2, E8E.6.3, E8E.6.4, E8E.6.5, E8E.6.6, E8E.6.7]