Economics: Macroeconomics

Stage 1 Desired Results

ESTABLISHED GOALS:

Competencies:

- Comprehension: Identify and explain concepts, ideas, and processes in the social sciences in order to be an informed citizen.
- Analysis: Analyze sourcing, situation, and arguments using primary and secondary sources in order to identify and appraise multiple perspectives as they apply to current and historical issues.
- Synthesis: Combine ideas to develop and support conclusions using specific and relevant evidence in order to solve complex problems and take informed action.

Content Standards:

- Eco.1.9-12. Analyze how incentives influence choices that may result in policies with a range of costs and benefits for different groups.
- Eco.6.9-12. Generate possible explanations for a government role in markets when market inefficiencies exist.
- Eco.7.9-12. Use benefits and costs to evaluate the effectiveness of government policies to improve market outcomes.
- Eco.8.9-12. Describe the possible consequences, both intended and unintended, of government policies to improve market outcomes.

Transfer

Students will be able to independently use their learning to ***analyze the impact of current economic indicators on individuals and the community.***

Meaning

ENDURING UNDERSTANDINGS

Students will understand that…

- certain economic indicators are useful tools in analysis of the economy.
- certain economic indicators may have advantages or disadvantages in their use by economists for information about the economy.
- economists use all available tools and data that in an attempt to forecast future trends in the economy,
- the United States government pursues certain economic and social goals to provide for its citizens.

ESSENTIAL QUESTIONS

- What is the proper economic role for the government in a market economy?
- What policies should a government pursue to best provide for its citizens?

Acquisition

Students will know…

- that GDP is a measure of the final output of the economy.
- that there are three ways of measuring GDP:
- that GDP is a useful indicator of a nation's economic performance, but it has some limitations.
- that nominal GDP is a measure of how much is spent on output.
- that Real GDP is a measure of how much is produced.
- the differences in what nominal GDP and Real GDP measures.
- that nominal GDP can be converted to real GDP by using the GDP deflator.

Students will be skilled at…

- analyzing the influence of incentives on choices and policy making.
- drawing inferences.
- evaluating the effectiveness of government policies on markets.
- describing possible cause and effect relationships.

	● the unemployment rate is the percentage of the labor force that is out of work. ● the definition and role of the labor force participation rate. ● the reasons that the measured unemployment rate is often criticized. ● that economists primarily focus on three types of unemployment: cyclical, frictional, and structural. ● the natural rate of unemployment is the unemployment rate that would exist when the economy produces full-employment real output. It is equal to the sum of frictional and structural unemployment ● the deviation of the actual unemployment rate from the natural rate is cyclical unemployment. ● the natural rate of unemployment can gradually change over time because of such things as changes in labor force characteristics. ● the consumer price index (CPI) measures the change in income a consumer would need in order to maintain the same standard of living over time under a new set of prices as under the original set of prices. ● the CPI measures the cost of a fixed basket of goods and services in a given year relative to the base year. ● the phases of a business cycle are recession and expansion. ● the turning points of a business cycle are peak and trough. ● that governments implement fiscal policies to achieve macroeconomic goals, such as full employment. ● that expansionary or contractionary fiscal policies are used to restore full employment when the economy is in a negative (i.e., recessionary) or positive (i.e., inflationary) output gap. ● that government policies that invest in infrastructure and technology affect growth. ● that supply-side fiscal policies affect aggregate demand, aggregate supply, and potential output in the short run and long run by influencing incentives that affect household and business economic behavior.	

	● that central banks implement monetary policies to achieve macroeconomic goals, such as price stability. ● the tools of monetary policy include open market operations, the required reserve ratio, and the discount rate. The most frequently used monetary policy tool is open market operations. ● that central banks can influence the nominal interest rate in the short run by changing the money supply, which in turn will affect investment and consumption ● the current account (CA) records net exports, net income from abroad, and net unilateral transfers ● the CA is not always balanced; it may show a surplus or a deficit. A nation's balance of trade (i.e., net exports) is part of the current account and may also show a surplus or a deficit. <u>Key Terms, figures and events:</u> GDP, GNP, Unemployment, Unemployment Rate, Inflation, price indices, cpi, business cycle, interest rates, federal debt, federal deficit, economic goals, taxes, labor, wages, unions strike, boycott, picketing, blacklist, lockout, scabs, collective bargaining, skilled labor, unskilled labor, minimum wage, closed shop, union shop, IRS, proportional tax, progressive tax, excise tax, social security tax, subsidy, frictional unemployment, structural unemployment, seasonal unemployment, cyclical unemployment, equity, growth, efficiency, freedom, security, Federal reserve, trade deficits, trade surplus.	
Content Area Literacy Standards		***21st Century Skills***
● RH.11-12.8 Evaluate an author's premises, claims, and evidence by corroborating or challenging them with other information. ● RH.11-12.9 Integrate information from diverse sources, both primary and secondary, into a coherent understanding of an idea or event, noting discrepancies among sources ● WHST.11-12.9 Draw evidence from informational texts to support analysis, reflection, and research.		● ***Collaborate with Others*** ● ***Access and Evaluate Information*** ● ***Use and Manage Information*** ● ***Analyze Media*** ● ***Create Media Products***