

Teaching Unit: *Financial Markets*

Sub Topic: *Money, Stocks, Bonds*

Essential Understandings

Knowledge and Skills

Investment promotes economic growth and contributes to a nation's wealth.

Demonstrate an understanding of how investing contributes to the free enterprise system.

The financial system includes savers & borrowers, and the institutions that transfer savers' dollars to borrowers.

Explain how the financial system brings together savers and borrowers.

When borrowers invest funds, they fuel economic growth.

Describe how financial intermediaries link savers & borrowers.

Governments and corporations borrow money by selling bonds & other financial assets.

Identify the trade-offs among risk, liquidity, and return.

The government or corporation pays the purchaser interest on the bonds and repays the principal (the money borrowed) at a specified time.

Describe characteristics of bonds as financial assets.

Corporations sell stock to raise money for starting, running, or expanding their businesses.

Describe characteristics of other types of financial assets.

Investors buy stocks to profit through regular dividend payments or by selling stock at a price higher than the purchase price.

Explain four different types of financial asset markets.

Money serves as a medium of exchange, a unit of account, and a store of value.

Understand the benefits & risks of buying stocks.

Many objects have served as money in the past; currently coins and bills meet the needs of modern society.

Describe how stock performance is measured.

Identify how stock performance is measured.

Describe the three uses of money.

Explain the six characteristics of money.

Describe the sources of money's value.

Teaching Unit: ***What Is Economics***

Essential Understandings

People, businesses, and governments must choose among limited or scarce resources.

Economics describes how people seek to satisfy their needs and wants by choosing among many alternatives.

All human decisions involve trade-offs.

The next best alternative to any choice is called an opportunity cost.

Interpret a production possibilities curve.

Demonstrate how production possibilities curves show efficiency, growth, & cost.

Understand that a country's production possibilities depend on its available resources and technology.

Sub Topic: ***Production Factors, Entrepreneurs,***

Knowledge and Skills

Explain why scarcity and choice are basic problems of economics.

Identify land, labor, and capital as the three factors of production, and identify the two types of capital.

Explain the role of entrepreneurs.

Explain why economists say all resources are scarce.

Describe why every decision involves trade-offs.

Explain the concept of opportunity cost.

Explain how people make decisions by thinking at the margin.

Teaching Unit: ***American Free Enterprise***

Essential Understandings

American free enterprise is based on the ideas of profit motive, voluntary exchange, private property rights, competition, and freedom for producers and consumers.

The US Constitution guarantees private property rights, the right to make contracts, and freedom from unfair taxation, thus encouraging a free enterprise system.

The government attempts to stabilize business cycles, aids the growth of the economy, and encourages technological innovation.

The government sometimes steps in to provide a shared good or resource when it would be impractical for consumers to pay individually.

The government sometimes has to step in to provide programs to aid poor, disabled, and elderly people.

Sub Topic: ***Constitutional Rights, Business***

Knowledge and Skills

Describe the traditions & basic principles of the US free enterprise system and the Constitutional protections that underlie it.

Identify the role of the consumer in the US free enterprise system.

Describe the role of the government in the US free enterprise system.

Explain how the government tracks and seeks to influence business cycles.

Analyze the effect of technology on productivity.

Identify examples of public goods.

Summarize the US political debate ways to fight poverty.

Describe the main programs through which the government redistributes income.

Teaching Unit: ***Personal Finances***

Essential Understandings

Taxes are monies the government collects from citizens for the purpose of operating the government.

Payroll taxes include personal income taxes: state & federal, and Social Security and Medicare taxes.

Banks & financial institutions offer services such as making loans, accepting deposits, and providing accounts that allow people to draft payments.

Understand the management of a checking account.

Comprehend that there are many ways in which savings can earn interest.

Credit cards provide people with convenient credit, and can be useful financial tools.

Credit cards should be used wisely.

Loans allow people to buy things and pay for them over time.

Wise management of financial resources is key to building and maintaining healthy credit.

Sub Topic: ***Banking, Credit***

Knowledge and Skills

Describe the basic principles of taxation.

Explain payroll taxes.

Learn the basics of having a checking account.

Describe other available banking services.

Explore the way in which savings can earn interest.

Examine the different types of bank accounts that can aid saving.

Explain how credit cards work.

Describe different credit card features.

Explain correct credit card usage.

Explain the concept of consumer credit; major types and the benefits & drawbacks.

Describe the keys to building and maintaining healthy credit.

Identify ways to protect your identity & credit.

Explain the issues and challenges of financing a home.

Explain the issues and challenges of financing a car.

Explain the issues and challenges of financing an education.

Teaching Unit: ***Supply & Demand***

Essential Understandings

According to the law of demand, people buy less of a good when its price rises.

Demand schedules and demand curves illustrate how people and markets react to different prices.

Several factors can change the demand for a good at any price.

A change in demand causes the entire demand curve to shift to the left or to the right.

Elasticity of demand describes how consumers will react to a change in the price of a good.

The law of supply predicts that producers will offer more of a good as its price goes up.

How strongly producers react to a change in price depends on their ability to raise or lower output.

Sub Topic: ***Schedules, Graphing***

Knowledge and Skills

Explain the law of demand.

Understand how the substitution effect and the income effect influence decisions.

Create a demand schedule for an individual and a market.

Interpret a demand graph using demand schedules.

Identify the determinants that create changes in demand and that can cause a shift in the demand curve.

Explain how the change in the price of one good can affect demand for a related good.

Explain how to calculate elasticity of demand.

Identify factors that affect elasticity.
