



Economics Principles

Barrett, Amy

Standards

MI: GLCE: Social Studies

MI: High School

Economics

E1 The Market Economy

1.1 Individual, Business, and Government Choices Explain and demonstrate how economic organizations confront scarcity and market forces when organizing, producing, using, and allocating resources to supply the marketplace.

- 1.1.1 Scarcity, Choice, Opportunity Costs, and Comparative Advantage – Using examples, explain how scarcity, choice, opportunity costs affect decisions that households, businesses, and governments make in the market place and explain how comparative advantage creates gains from trade.

1.2 Competitive Markets

Analyze how the functions and constraints of business structures, the role of price in the market, and relationships of investment to productivity and growth, impact competitive markets.

- 1.2.1 Business Structures – Compare and contrast the functions and constraints facing economic institutions including small and large businesses, labor unions, banks, and households.
- 1.2.3 Investment, Productivity and Growth – Analyze the role investments in physical (e.g., technology) and human capital (e.g., education) play in increasing productivity and how these influence the market.

1.3 Prices, Supply, and Demand Compare how supply, demand, price, equilibrium, elasticity, and incentives affect the workings of a market.

- 1.3.1 Law of Supply – Explain the law of supply and analyze the likely change in supply when there are changes in prices of the productive resources (e.g., labor, land, capital including technology), or the profit opportunities available to producers by selling other goods or services, or the number of sellers in a market.
- 1.3.2 Law of Demand – Explain the law of demand and analyze the likely change in demand when there are changes in prices of the goods or services, availability of alternative (substitute or complementary) goods or services, or changes in the number of buyers in a market created by such things as change in income or availability of credit.
- 1.3.3 Price, Equilibrium, Elasticity, and Incentives – Analyze how prices change through the interaction of buyers and sellers in a market including the role of supply, demand, equilibrium, elasticity, and explain how incentives (monetary and non-monetary) affect choices of households and economic organizations.

E2 THE NATIONAL ECONOMY OF THE UNITED STATES OF AMERICA

2.1 Understanding National Markets

Describe inflation, unemployment, output, and growth, and the factors that cause changes in those conditions, and describe the role of money and interest rates in national markets.

- 2.1.2 Circular Flow and the National Economy – Using the concept of circular flow, analyze the roles of and the relationships between households, business firms, financial institutions, and government and nongovernment agencies in the economy of the United States.
- 2.1.8 Relationship Between Expenditures and Revenue (Circular Flow) – Using the circular flow model, explain how spending on consumption, investment, government and net exports determines national income; explain how a decrease in total expenditures affects the value of a nation's output of final goods and services.

CTE: Marketing, Sales, & Service

CTE: Consolidated Standards

52.1999 - Marketing, Sales & Services Marketing & Entrepreneurship (2012) Consolidated

D. Understand the economic principles and concepts fundamental to business operations.

- 1. Describe fundamental economic concepts used in marketing. (12 Economics)
- 2. Describe the nature of business to show its contributions to society. (12 Economics)
- 4. Acquire knowledge of the impact of government on business activities to make informed economic decisions. (12 Economics)
- 5. Analyze cost/profit relationships to guide business decision-making. (12 Economics)
- 6. Describe economic indicators that can impact marketing activities. (12 Economics)
- 7. Determine global trade's impact on business decision-making. (12 Economics)

Learning Targets/"I Can" Statements

I can:

- Define the concept of an economy
- List the factors of production
- Explain the concept of scarcity
- Discuss how traditional, market, command, and mixed economies answer the three basic economic questions
- Cite examples of various economic systems
- List the goals of a healthy economy
- Explain how an economy is measured
- Analyze the key phases of the business cycle

I can:

- Explain the interdependence of nations
- Describe International trade
- Discuss the balance of trade
- List three trade barriers
- List three significant trade agreements and alliances
- list forms of international trade
- Identify political, economic, sociocultural, and technological factors that affect international business
- Suggest global marketing strategies

Key Concepts/Vocabulary

Economy
 Resources
 Factors of Production
 Infrastructure
 Entrepreneurship
 Scarcity
 Traditional Economy
 Market Economy
 Command Economy
 Mixed Economies
 Capitalism
 Communism
 Socialism
 Labor Productivity
 Productivity
 Gross Domestic Product
 Gross national Product
 Inflation
 Consumer Price Index
 Producer Price Index
 Unemployment
 Business Cycle
 Expansion
 Recession
 Depression
 Recovery
 Trough
 International Trade
 Imports
 Exports
 Absolute Advantage
 Comparative Advantage
 Balance of Trade
 Free Trade
 Tariff
 Quota
 Embargo
 Protectionism
 World Trade Organization
 NAFTA - North American Free Trade Agreement
 EU - European Union
 Licensing
 Contract Manufacturing
 Joint Venture
 Foreign Direct Investment
 Multinationals
 Mini-nationals
 Infrastructure
 Labor Force
 Employee Benefits
 Taxes
 Standard of Living
 Foreign Exchange Rate
 Globalization
 Adaptation
 Customization

Laingsburg Community Schools
Marketing



High School > High School > Business > Marketing > Week 20 - Week 21

Last Updated Thursday, April 9, 2015 by Amy Barrett

Pricing

Barrett, Amy

Standards

MI: GLCE: Social Studies

MI: High School

Economics

1.2 Competitive Markets

Analyze how the functions and constraints of business structures, the role of price in the market, and relationships of investment to productivity and growth, impact competitive markets.

- 1.2.2 Price in the Market – Analyze how prices send signals and provide incentives to buyers and sellers in a competitive market.

1.3 Prices, Supply, and Demand Compare how supply, demand, price, equilibrium, elasticity, and incentives affect the workings of a market.

- 1.3.1 Law of Supply – Explain the law of supply and analyze the likely change in supply when there are changes in prices of the productive resources (e.g., labor, land, capital including technology), or the profit opportunities available to producers by selling other goods or services, or the number of sellers in a market.
- 1.3.2 Law of Demand – Explain the law of demand and analyze the likely change in demand when there are changes in prices of the goods or services, availability of alternative (substitute or complementary) goods or services, or changes in the number of buyers in a market created by such things as change in income or availability of credit.
- 1.3.3 Price, Equilibrium, Elasticity, and Incentives – Analyze how prices change through the interaction of buyers and sellers in a market including the role of supply, demand, equilibrium, elasticity, and explain how incentives (monetary and non-monetary) affect choices of households and economic organizations.

E2 THE NATIONAL ECONOMY OF THE UNITED STATES OF AMERICA

2.1 Understanding National Markets

Describe inflation, unemployment, output, and growth, and the factors that cause changes in those conditions, and describe the role of money and interest rates in national markets.

- 2.1.4 Money Supply, Inflation, and Recession – Explain the relationships between money supply, inflation, and recessions.

CTE: Marketing, Sales, & Service

CTE: Consolidated Standards

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D. Understand the economic principles and concepts fundamental to business operations.

- 1. Describe fundamental economic concepts used in marketing. (12 Economics)

E. Pricing

- 1. Explain the nature and scope of the pricing function (1 Functions/Foundations of Marketing)
- 2. Describe the role of business ethics in pricing (4 Pricing)
- 3. Explain legal considerations for pricing (4 Pricing)
- 4. Explain factors affecting pricing decisions (12 Economics)
- 5. Apply marketing information to facilitate product/service management decisions. (10 Product Service Planning)

Learning Targets/"I Can" Statements

Key Concepts/Vocabulary

Law of Supply

- I can explain how prices are determined and analyze how prices change through the interaction of buyers and sellers in the Market.
- I can define equilibrium, price elasticity, and incentives
- I can chart a supply curve
- I can chart a demand curve
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Law of Demand
Pricing Signals
Return on Investment
Mark Up
Profit Margin
Cost
Sales
Retail Price
Pricing Strategies
Supply and Demands effect on Price
Functions of prices in markets
Price
Equilibrium
Elasticity
Incentives

Lesson Sequence (optional)

Assessments (optional)

Pricing Math Quiz

Test: Common

Students will complete a pricing math quiz.

Apprentice Competition: Return on Investment

Summative: Performance: Authentic Task

Resources (optional)



Economic Systems & Government Involvement

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Economics

E1 The Market Economy

1.1 Individual, Business, and Government Choices Explain and demonstrate how economic organizations confront scarcity and market forces when organizing, producing, using, and allocating resources to supply the marketplace.

- 1.1.1 Scarcity, Choice, Opportunity Costs, and Comparative Advantage – Using examples, explain how scarcity, choice, opportunity costs affect decisions that households, businesses, and governments make in the market place and explain how comparative advantage creates gains from trade.

1.4 Role of Government In the Market

Describe the varied ways government can impact the market through policy decisions, protection of consumers, and as a producer and consumer of goods and services, and explain how economic incentives affect government decisions.

- 1.4.1 Public Policy and the Market – Analyze the impact of a change in public policy (such as an increase in the minimum wage, a new tax policy, or a change in interest rates) on consumers, producers, workers, savers, and investors.
- 1.4.2 Government and Consumers – Analyze the role of government in protecting consumers and enforcing contracts, (including property rights), and explain how this role influences the incentives (or disincentives) for people to produce and exchange goods and services.
- 1.4.3 Government Revenue and Services – Analyze the ways in which local and state governments generate revenue (e.g., income, sales, and property taxes) and use that revenue for public services (e.g., parks and highways).
- 1.4.4 Functions of Government – Explain the various functions of government in a market economy including the provision of public goods and services, the creation of currency, the establishment of property rights, the enforcement of contracts, correcting for externalities and market failures, the redistribution of income and wealth, regulation of labor (e.g., minimum wage, child labor, working conditions), and the promotion of economic growth and security.
- 1.4.5 Economic Incentives and Government – Identify and explain how monetary and non-monetary incentives affect government officials and voters and explain how government policies affect the behavior of various people including consumers, savers, investors, workers, and producers.

2.2 Role of Government In the American Economy

Analyze the role of government in the American economy by identifying macroeconomic goals; comparing perspectives on government roles; analyzing fiscal and monetary policy; and describing the role of government as a producer and consumer of public goods and services. Analyze how governmental decisions on taxation, spending, protections, and regulation impact macroeconomic goals.

- 2.2.1 Federal Government and Macroeconomic Goals – Identify the three macroeconomic goals of an economic system (stable prices, low unemployment, and economic growth).
- 2.2.2. Macroeconomic Policy Alternatives – Compare and contrast differing policy recommendations for the role of the Federal government in achieving the macroeconomic goals of stable prices, low unemployment, and economic growth.
- 2.2.3 Fiscal Policy and its Consequences – Analyze the consequences – intended and unintended – of using various tax and spending policies to achieve macroeconomic goals of stable prices, low unemployment, and economic growth.
- 2.2.4 Federal Reserve and Monetary Policy – Explain the roles and responsibilities of the Federal Reserve System and compare and contrast the consequences – intended and unintended – of different monetary policy actions of the Federal Reserve Board as a means to achieve macroeconomic goals of stable prices, low unemployment, and economic growth.
- 2.2.5 Government Revenue and Services – Analyze the ways in which governments generate revenue on consumption, income and wealth and use that revenue for public services (e.g., parks and highways) and social welfare (e.g., social security, Medicaid, Medicare).

CTE: Marketing, Sales, & Service

CTE: Technical

52.1999 - Marketing, Sales & Services Marketing & Entrepreneurship (2009)

C. Understand economic systems to be able to recognize the environments in which businesses function.

- 5. Explain the concept of competition (EC:012, EC LAP 8) (CS)

D. Acquire knowledge of the impact of government on business activities to make informed economic decisions.

- 1. Determine the relationship between government and business (EC 008, EC LAP 16) (CS)

E. Analyze cost/profit relationships to guide business decision-making.

- 1. Explain the concept of productivity (EC.013, EC LAP 18) (CS)

Learning Targets/"I Can" Statements

Ch. 5

- I can explain the characteristics of a free enterprises system
- I can distinguish between price and nonprice competition
- I can explain the theory of supply and demand
- I can graph a supply curve
- I can graph a demand curve
- I can explain governments involvement in the US economy
- I can determine government's regulatory role and the agency created to enforce its laws
- I can explain ways that a business can show social responsibility
- I can identify unethical practices by businesses

Ch. 6

- I can explain the role of government in a free enterprise system
- I can identify federal regulatory agencies and laws that protect consumers, workers, investors, and the environment
- I can provide examples of the impact of government on business
- I can articulate governments role as a service provider and customer

Key Concepts/Vocabulary

Federal Reserve
 Free Enterprise System
 Market Oriented Economy
 Intellectual Property - trademark, copyright, patent
 Competition
 Price Competition
 Nonprice Competition
 Monopoly
 Business risk
 Profit
 Supply
 Demand
 Surplus
 Equilibrium
 Shortages
 Domestic Business
 Global Business
 For-profit business
 nonprofit business
 Size and Scope - large vs. small
 Public vs. Private
 Industry
 Derived Demand
 Wholesalers
 Retailers
 Production
 Productivity
 Business Functions: Production & Procurement, Marketing, Management, Finance & Accounting
 Executive Branch
 Legislative Branch
 Judicial Branch
 FDA
 CPSC
 EEOC
 OSHA
 SEC
 EPA
 FTC
 Flex Time
 Telecommuting
 Ad Council
 Green Marketing
 Ethics
 Better Business Bureau
 Price Gouging
 Guidelines for ethical behavior

Lesson Sequence (optional)



Assessments (optional)

Chapter 5 & 6 Test

Formative: Other: Quiz

Multiple choice test covering chapter 5 & 6

Resources (optional)





Economics: Impact of Gov't. & Global Trade

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Economics

3.2 Economic Interdependence – Trade

Describe how trade generates economic development and interdependence and analyze the resulting challenges and benefits for individuals, producers, and government.

- 3.2.1 Absolute and Comparative Advantage – Use the concepts of absolute and comparative advantage to explain why goods and services are produced in one nation or locale versus another.
- 3.2.2 Domestic Activity and World Trade – Assess the impact of trade policies (i.e. tariffs, quotas, export subsidies, product standards and other barriers), monetary policy, exchange rates, and interest rates on domestic activity and world trade.
- 3.2.3 Exchange Rates and the World Trade – Describe how interest rates in the United States impact the value of the dollar against other currencies (such as the Euro), and explain how exchange rates affect the value of goods and services of the United States in other markets.
- 3.2.4 Monetary Policy and International Trade – Analyze how the decisions made by a country's central bank (or the Federal Reserve) impact a nation's international trade.
- 3.2.5 The Global Economy and the Marketplace – Analyze and describe how the global economy has changed the interaction of buyers and sellers, such as in the automobile industry.

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D. Understand the economic principles and concepts fundamental to business operations.

- 7. Determine global trade's impact on business decision-making. (12 Economics)

Learning Targets/"I Can" Statements

- I can apply the concepts of opportunity costs and absolute and comparative advantage in mathematical terms.
- I can apply concepts of international trade, including imports and exports.
- I can Describe the costs and benefits of globalization
- I can understand key vocabulary related to global trade
- I can explain the pros and cons of global trade on the domestic economy and the businesses within the United States

Key Concepts/Vocabulary

Globalization
Imports
Exports
Opportunity Costs
Absolute Advantage
Comparative Advantage
Trade Barriers
Tariffs
Quotas
Embargo
Export
Export Subsidy

Imports
Product Standard
Balance of Trade
Interest Rate
Exchange Rate
Monetary Policy

Lesson Sequence (optional)

Assessments (optional)

Absolute & Comparative Advantage Quiz (lesson 35)

Formative: Other: Quiz
multiple choice/short answer

Vocabulary Quiz (Lesson 36)

Summative: Other: Quiz
Trade Vocabulary

Currency Exchange Quiz (lesson 37)

Summative: Other: Quiz
5 Question Post Assessment

Resources (optional)

Economics in Marketing Education Lesson: 34, 35, 36, 37.



Entrepreneurship

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Economics

E1 The Market Economy

1.1 Individual, Business, and Government Choices Explain and demonstrate how economic organizations confront scarcity and market forces when organizing, producing, using, and allocating resources to supply the marketplace.

- 1.1.2 Entrepreneurship – Identify the risks, returns and other characteristics of entrepreneurship that bear on its attractiveness as a career.

1.2 Competitive Markets

Analyze how the functions and constraints of business structures, the role of price in the market, and relationships of investment to productivity and growth, impact competitive markets.

- 1.2.1 Business Structures – Compare and contrast the functions and constraints facing economic institutions including small and large businesses, labor unions, banks, and households.

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B. Demonstrate mathematics knowledge and skills required to pursue the full range of post-secondary education and career opportunities.

- 5. Analyze Mathematical problem statements for missing and/or irrelevant data. (5 Financial Analysis)

V. SYSTEMS

A. Describe the nature and types of business organizations to build an understanding of the scope of organizations.

- 1. Describe the types and functions of businesses. (7 Entrepreneurship, Risk Management, and Operations)
- 2. Explain the functions and interactions of common departments within a business. (7 Entrepreneurship, Risk Management, and Operations)

C. Understand the concepts, processes, and skills associated with identifying new ideas, opportunities, and methods and with creating or starting a new marketing project or business venture.

- 1. Employ entrepreneurial discovery strategies in marketing. (7 Entrepreneurship, Risk Management, and Operations)
- 2. Develop concept for new marketing project or business venture. (7 Entrepreneurship, Risk Management, and Operations)
- 3. Determine needed resources for a new marketing project or business venture. (7 Entrepreneurship, Risk Management, and Operations)
- 4. Actualize new marketing project or business venture. (7 Entrepreneurship, Risk Management, and Operations)
- 5. Select harvesting strategies for marketing project or business venture. (7 Entrepreneurship, Risk Management, and Operations)

D. Analyze accounting systems to examine their contribution to the fiscal stability of businesses.

- 1. Acquire a foundational knowledge of accounting to understand its nature and scope. (5 Financial Analysis)
- 2. Implement accounting procedures to track money flow and to determine financial status. (5 Financial Analysis)

B. FINANCIAL ANALYSIS

- 6. Identify potential business threats and opportunities to protect a business's financial well-being. (5 Financial Analysis)

H. Market Planning

- 1. Develop marketing strategies to guide marketing tactics. (9 Strategic Market Planning)
- 2. Select target market appropriate for product/business to obtain the best return on marketing investment (ROMI). (9 Strategic Market Planning)
- 3. Employ marketing-information to develop a marketing plan. (9 Strategic Market Planning)

- 4. Assess marketing strategies to improve return on marketing investment (ROMI). (9 Strategic Market Planning)

Learning Targets/"I Can" Statements

- I can explain the risks of being an entrepreneur
- I can identify characteristics needed to be an entrepreneur
- I can write a business plan that assesses the economic conditions of operating a business
- I can identify business structures, profit and nonprofit organizations

Key Concepts/Vocabulary

Entrepreneurship
 Entrepreneurs
 Advantages/Disadvantages of Entrepreneurship
 Characteristics of Successful Entrepreneurs
 The role of entrepreneurship in the domestic and global economy
 Trends in Entrepreneurship
 Sole Proprietorship
 Partnership
 Corporation
 Limited Liability Company (LLC)
 Advantages and Disadvantages of each kind of business ownership
 Stockholders
 Foreign Corporation
 DBA (Doing Business As)
 Articles of Incorporation
 Business Risk
 Risk Management
 Economic Risk
 Natural Risk
 Human Risk
 Risk Prevention, Retention, and Avoidance
 Insurance (policy)
 Business Plan
 Business Philosophy
 Self Analysis
 Trading Area
 Operational Plan
 Job Descriptions
 Organizational Chart
 Marketing Plan
 Finances:
 Sources of Capital (equity capital, debt capital)
 Collateral
 Credit Union
 Financial Statements
 Net Worth
 Start-Up Costs/Budget
 Income Statement
 Gross Sales vs. Net Sales
 Balance Sheet
 Cash Flow Statement

Lesson Sequence (optional)

Assessments (optional)