



Oregon Content Standards for Social Sciences

What Citizens Need to Know About Economics
addresses Oregon Content Standards for the economics component of the social sciences curriculum grade 10.



ECONOMICS: Understand economic concepts and principles and how available resources are allocated in a market economy.

Content Standard: Understand the economic concept of scarcity.

CIM/CAM * (Grade 10)

- Understand how specialization and competition influence the allocation of resources.
- *Understand how specialization increases efficiency, potential output, and consumer well being, but may have negative side effects.*

- *Chapter 1 defines economics as the study of the allocation of scarce resources. Key concepts, such as scarcity and economic goods and services are defined.*
- *Chapter 22 explains how specialization and competition influence the allocation of resources in the context of foreign trade. Terms like comparative advantage and specialization are defined. The positive and negative side effects of specialization are explored. Links to related articles and Web sites are included for more information and specific examples.*

Content Standard: Understand how trade-offs and opportunity costs are decisions that can be measured in terms of costs and benefits.

CIM/CAM* (Grade 10)

- Understand a cost-benefit analysis of economic choices.

- *Chapter 15 explains how cost-benefit analysis is used to determine the best economic choice. Problems associated with economic growth such as pollution are cited as examples of factors that must be considered when using cost-benefit analysis. Links to related articles and Web sites are included for further information.*

- *Compare and contrast the allocation of goods and services in market and command economies.*

- *Chapter 3 compares and contrasts traditional, market, command and mixed economies. The allocation of goods and services in each economy is explored. A comparison of capitalism, socialism and communism is also provided. Examples of countries that represent each type of economy are presented and profiles of influential economic philosophers are included. Web links provide biographies of philosophers, such as Adam Smith and Karl Marx, and the complete texts of their most famous works.*

- *Understand how people make decisions by analyzing economic conditions and changes.*

- *Chapter 1 explains how people make decisions by analyzing economic conditions and changes. Economic indicators, such as gross domestic product and consumer price index that reflect economic conditions and changes are identified and graphics are included to demonstrate changes in the indicators over periods of time. Links to related articles and Web sites provide the most current statistics on economic conditions.*

- *Chapter 2 explains how people make decisions by analyzing economic conditions and changes. The use of the production possibilities curve to identify choices and consequences is described and illustrated with a graphic. Terms such as opportunity cost and scarcity are defined.*

Content Standard: Understand the concept of supply and demand.

CIM/CAM* (Grade 10)

- Understand how consumer demand and market price directly impact one another.
- *Understand that competition among sellers leads to lower prices and impacts production.*
- *Understand that competition among buyers increases prices and allocates goods and services only to those who can afford them.*

- *Chapter 8 describes the laws of supply and demand and explains how competition among buyers and sellers influences prices. The impact of supply and demand on production is also explained and graphics are included to illustrate the interrelationship of supply and demand.*

- *Chapter 9 explores competition in the marketplace and explains how unfair business practices impact buyers and sellers. Key concepts and terms, such as pure competition, monopoly and oligopoly, are defined. The government's regulation of businesses is examined and links are included to the complete texts of important government legislation with regard to competition, like the Sherman Antitrust Act and the Robinson-Patman Act.*

Content Standard: Understand and evaluate the underlying philosophies and characteristics of various economic systems, including that of the U.S. economy.

CIM/CAM* (Grade 10)

- Evaluate different economic systems, comparing advantages and disadvantages of each.
- *Use cost-benefit analysis to compare and contrast economic systems.*

- *Chapter 3 describes different economic systems and identifies the advantages and disadvantages of each. Traditional, command, market and mixed economic systems are described and examples are given. A comparison and contrast of capitalism, socialism and communism is also provided and specific examples are cited. Economic philosophers, such as Adam Smith and Karl Marx, are profiled and links include biographies of the philosophers and the complete texts of their most influential works.*
- *Chapter 15 explains the concept of cost-benefit analysis. Links to related articles and Web sites are included for further information and specific examples of its use.*

Content Standard: Understand the role of government and institutions in an economy.

CIM/CAM* (Grade 10)

- Understand how government can affect the national economy through policy.
- Understand how government can affect international trade through tariffs, quotas and trade agreements.
- *Understand how government responds to problems in the economy (rapid inflation or rising unemployment) with fiscal and/or monetary policies.*
- *Identify and give examples of ways that the U.S. government can affect the economy through legislation or policy decisions.*
- *Identify tariffs, quotas, and trade agreements, and understand the consequences of their use on the economy.*

- *Chapter 12 explores the roles of government in economic systems. The way government can affect the national economy through regulations and budgetary policy decisions are explored. Web links are included to government regulatory agencies, such as the Environmental Protection Agency and the Food and Drug Administration. Web links are also provided to government agencies involved in the budget-making process, like the Office of Management and Budget and the Congressional Budget Office.*
- *Chapter 17 describes how government responds to problems in the economy with fiscal and monetary policies. Different fiscal and monetary policy options, such as open market operations and deficit financing, are explored. The role of the Federal Reserve System in maintaining a stable money supply is explained. Links to related articles and Web sites include current information on U.S. monetary and fiscal policy decisions and the impact they have on the economy.*

- *Chapter 22 explains how government can affect international trade through tariff, quotas and trade agreements. The consequences of tariffs, quotas and trade agreements are explored and the debate between free trade and protectionism is highlighted. A history of U.S. trade policy is presented and the rise of regional trade agreements is explored. Links are included to the Web pages of many regional trade associations, including the North American Free Trade Agreement and the European Union.*

Content Standard: Understand how the United States economy relates and interacts with other nations.

CIM/CAM* (Grade 10)

- Understand the purposes and functions of major international economic organizations and the role of the United States in them.
- *Understand the purpose and function of international economic agencies and groups and how the United States interacts with people in other nations through these groups.*

- *Chapter 22 explores the purposes and functions of regional and international trade organizations and describes the role of the United States in them. Web links are included to many organizations, including the North American Free Trade Agreement, the European Union and the Association of Southeast Asian Nations.*
- *Chapter 23 describes the purposes and functions of international organizations in the global economy of the 21st century and explores the role of the United States in them. Web links are included to many international organizations, such as the United Nations, the World Trade Organization and the International Monetary Fund. The advantages and disadvantages of these organizations are presented and links to related articles and Web sites provide opposing views of the success of those organizations.*

Content Standard: Understand the purpose and functions of money in the economy.

CIM/CAM* (Grade 10)

- Understand how money makes saving and borrowing easier.
- *Understand how money functions in the banking system and as part of fiscal policy.*

- *Chapter 11 describes the purposes and functions of money and banking and explains how money makes saving and borrowing easier. Concepts, such as barter and electronic funds transfers, are defined. Different types of banks are identified and the role of the Federal Reserve System is explained. Web links are included to all branches of the Federal Reserve. The way money functions in the banking system is explored and the way saving and borrowing creates money is explained and illustrated with a graphic.*

- *Chapter 17 explains how money functions in the banking system as part of fiscal and monetary policy. The role of the Federal Reserve System is explored and concepts, such as reserve requirement, discount rate and open market operations, are defined. Links to related articles and Web sites include current information on fiscal and monetary policy decisions and their impact on the economy.*

Content Standard: Demonstrate the knowledge and skills necessary to make reasoned and responsible financial decisions as a consumer, producer, saver, and investor in a market economy.

CIM/CAM* (Grade 10)

- Understand the potential risks and returns of various investment opportunities, including entrepreneurship, in a market economy.
- *Identify and give examples of potential incentives and disincentives of entrepreneurship.*

- *Chapter 7 describes the potential risks and returns of various investment opportunities, including entrepreneurship, stocks, bonds and commodities. Examples of incentives and disincentives, such as risk and profit, are given and the role of the entrepreneur in business is explained. Different types of business are identified. Biographies of successful entrepreneurs are included and an activity for this chapter in the Educator's Guide suggests students interview an entrepreneur in the community. The role of the stock and commodity markets in economic systems is explored and Web links are provided to many exchanges around the world, including the New York Stock Exchange, the Chicago Mercantile Exchange and the London Stock Exchange. An activity for this chapter in the Educator's Guide involves investing an imaginary sum of money in the stock market and charting the progress of the stocks over a period of time.*

- *Identify and give examples of potential risks and returns of economic decisions under various economic conditions.*

- *Chapter 2 explains how the production possibilities curve can be used to identify risks and returns of various economic decisions. A graphic of the production possibilities curve is included and examples are cited.*

- *Chapter 7 highlights risks and returns of various economic decisions with regard to business investments. The role of the entrepreneur is explored and different investment options, including stocks, bonds and commodities, are described. Links are included to stock and commodity exchanges around the world.*

- *Chapter 15 identifies the risks and returns of economic growth. Factors that determine economic growth are described and problems of growth, such as pollution, are identified. Links to related articles and Web sites are included for further information.*
- *Chapter 16 identifies various economic conditions. The business cycle is explained and terms, such as inflation, recession and depression, are defined. An oral history of the Great Depression is included to illustrate the impact of economic conditions.*
- *Related articles and Web sites linked to every chapter give examples of the impacts of economic decisions under various economic conditions.*

- *Understand the risks and benefits to the use of credit.*

- *Chapter 6 explores the risks and benefits of credit. Buying a house is cited as an example of a benefit of credit and bankruptcy is cited as an example of a risk associated with credit. The impact of poor credit management is described and maintaining proper credit is stressed. Links to related articles and Web sites are included for specific examples of risks and benefits associated with credit.*

Italicized text defines eligible content that may appear on the 2002-03 Oregon Statewide Assessment and may appear on the Social Sciences Pilot Test in 2003.

*Students must meet CIM performance standards in English, mathematics, science and social sciences through CIM assessment options as a requirement for the Certificate of Advanced Mastery (CAM).