



Bemidji Area Schools
9-12 Academic Standards in
Social Studies
2013
Tables of Standards
Social Studies II – Grade 9
Economics

Grades 9-12

Students in high school (grades 9-12) pursue in-depth study of social studies content that equips them with the knowledge and skills required for success in postsecondary education (i.e., freshman level courses), the skilled workplace and civic life. The amount of content in the standards for each discipline corresponds to the course credit graduation requirements identified in Minn. Stat. § 120B.024 which are as follows:

- 3.5 social studies credits encompassing at least United States history, geography, government and citizenship, world history, and economics- OR-
- 3.0 social studies credits encompassing at least United States history, geography, government and citizenship, and world history, and .5 credit of economics taught in a school's social studies, agriculture education, or business department.

Approximately one year (or two semesters) of content is provided for a survey of United States history, a year for a survey of world history, and a half-year (or one semester) each for geography, government and citizenship, and economics. Although the standards are organized by discipline, they may be delivered in an interdisciplinary context.

Social Studies Standards Grades 9 through 12				
Strand 1: Citizenship & Government	Strand 2: Economics	Strand 3: Geography	Strand 4: History ■ U. S. History	Strand 4: History ■ World History
0.5 credit recommended	0.5 credit recommended	0.5 credit recommended	1 credit recommended	1 credit recommended



Gr.	Strand	Sub-strand	Standard Understand that...	Code	Benchmark
9 10 11 12	2. Economics	1. Economic Reasoning Skills	1. People make informed economic choices by identifying their goals, interpreting and applying data, considering the short- and long-run costs and benefits of alternative choices and revising their goals based on their analysis.	9.2.1.1.1	Apply reasoned decision-making techniques in making choices; explain why different individuals, households, organizations and/or governments faced with the same alternatives might make different choices. <i>For example:</i> Decision-making techniques—PACED decision-making process (Problem, Alternative, Criteria, Evaluation, Decision) , benefit-cost analysis, marginal analysis, consideration of sunk costs, results of behavioral economics.

Gr.	Strand	Sub-strand	Standard Understand that...	Code	Benchmark
9 10 11 12	2. Economics	2. Personal Finance	2. Personal and financial goals can be achieved by applying economic concepts and principles to personal financial planning, budgeting, spending, saving, investing, borrowing and insuring decisions.	9.2.2.2.1	<p>Establish financial goals; make a financial plan considering budgeting and asset building to meet those goals; and determine ways to track the success of the plan.</p> <p><i>For example:</i> Goals—college education, start a business, buy a house, retire comfortably; calculate net (or disposable) income. Plan—calculate necessary saving to meet a financial goal; create a cash-flow or income-expense statement; create a balance sheet showing assets and liabilities.</p>
9.2.2.2.2				<p>Evaluate investment options using criteria such as risk, return, liquidity and time horizon; evaluate and apply risk management strategies in investing and insuring decisions.</p> <p><i>For example:</i> Apply PACED decision-making process (Problem, Alternative, Criteria, Evaluation, Decision). Investment options—stocks, bonds, savings account, CDs, real estate. Risk management strategies—diversification, dollar-averaging, safe driving, buying homeowners insurance.</p>	
9.2.2.2.3				<p>Evaluate the benefits and costs of credit; describe the “three C’s” of credit (character, capacity and collateral) and explain how these attributes can affect one’s ability to borrow, rent, get a job and achieve other financial goals.</p> <p><i>For example:</i> Two typical costs of credit are the finance charges and a lower degree of financial security. A person’s FICO score is a measure of their character and the lower it is, the higher the interest rates they usually must pay to borrow.</p>	

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9 10 11 12	2. Economics	2. Personal Finance	2. Personal and financial goals can be achieved by applying economic concepts and principles to personal financial planning, budgeting, spending, saving, investing, borrowing and insuring decisions.	9.2.2.2.4	<p>Explain the pricing, sales, advertising and other marketing strategies used to sell products from a consumer perspective.</p> <p><i>For example:</i> Unit pricing, sales tactics which can help or hinder choices, advertising which can provide useful information or misleading claims, scams, fraudulent offers.</p>
3. Fundamental Concepts		3. Because of scarcity, individuals, organizations and governments must evaluate trade-offs, make choices and incur costs.	9.2.3.3.1	<p>Identify the incentives and trade-offs related to a choice made by an individual, household, organization or government; describe the opportunity cost of a choice; and analyze the consequences of a choice (both intended and unintended).</p> <p><i>For example:</i> An opportunity cost of choosing to spend more than your income, be it an individual or government, is less financial security and ability to spend later.</p>	
		4. Economic systems differ in the ways that they address the three basic economic issues of allocation, production and distribution to meet society's broad economic goals.	9.2.3.4.1	<p>Explain how the availability of productive resources and technology limits the production of goods and services.</p> <p><i>For example:</i> Productive resources—human, capital, natural, and entrepreneurial; production possibilities curve and shifts of this curve; effects of technological change.</p>	

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9 10 11 12	2. Economics	3. Fundamental Concepts	4. Economic systems differ in the ways that they address the three basic economic issues of allocation, production and distribution to meet society's broad economic goals.	9.2.3.4.2	<p>Compare and contrast the characteristics of traditional, command (planned), market-based (capitalistic) and mixed economic systems.</p> <p><i>For example:</i> Characteristics—ownership of resources, consumer sovereignty, amount of government involvement, underlying incentives, compatibility with democratic principles. How does each system answer these questions: What to produce? How to produce? For whom to produce?</p>
9.2.3.4.3				<p>Define broad economic goals and describe the trade-offs that exist between them; evaluate how different economic systems achieve these goals in theory and in practice.</p> <p><i>For example:</i> Economic goals—efficiency, equity, security, stability, freedom, growth. Trade-offs—a market-based economy may achieve the goals of efficiency and freedom, but sometimes at the expense of security and equity; a command economy is more equitable in theory than in practice.</p>	

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9 10 11 12	2. Economics	4. Microeconomic Concepts	5. Individuals, businesses and governments interact and exchange goods, services and resources in different ways and for different reasons; interactions between buyers and sellers in a market determines the price and quantity exchanged of a good, service or resource.	9.2.4.5.1	Describe the role of households, businesses and governments in the movement of resources, goods and services, and money in an economy. <i>For example:</i> Circular flow model—households sell resources to earn income to buy goods and services; businesses buy resources to produce goods and services they sell for revenue; governments impose taxes and buy goods and services.
9.2.4.5.2				Describe the role of markets in the movement of resources, goods and services, and money in an economy. <i>For example:</i> Product markets (exchange of goods and services), resource markets (households are sellers and businesses are buyers).	
9.2.4.5.3				Explain that market demand is based on each buyer’s willingness and ability to pay and the number of buyers in the market; analyze the effect of factors that can change demand. <i>For example:</i> Factors—income/wealth, prices of other goods, consumer tastes and preferences, expectations. An increase in the price of sugar leads to an increase in the demand for corn syrup, a substitute.	
9.2.4.5.4				Explain that market supply is based on each seller’s cost and the number of sellers in the market; analyze the effect of factors that can change supply. <i>For example:</i> Factors—productivity of resources, price of resources, government taxes and subsidies, profit expectations; a fall in the price of leather leads to an increase in the supply of baseball gloves due to the lower cost of production.	

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9 10 11 12	2. Economics	4. Microeconomic Concepts	5. Individuals, businesses and governments interact and exchange goods, services and resources in different ways and for different reasons; interactions between buyers and sellers in a market determines the price and quantity exchanged of a good, service or resource.	9.2.4.5.5	Use demand and supply curves to explain how the equilibrium price and quantity in a market is determined as buyers and sellers adjust their offers in response to shortages or surpluses. <i>For example:</i> If the price of houses is such that the quantity offered by sellers exceeds the quantity demanded by buyers, a housing surplus would exist which would lead sellers to offer lower prices.
9.2.4.5.6				Explain how changes (shifts) in the demand and supply of an item result in changes in its market price and quantity; explain how these shifts can lead to changes in prices and quantities in other markets. <i>For example:</i> An increase in the price of oil increases the cost of producing gasoline. This reduces (“leftward shifts”) the supply of gasoline, leading to an increase in the price of gasoline and a reduction in the quantity of gasoline sold.	
6. Profit provides an incentive for individuals and businesses; different business organizations and market structures have an effect on the profit, price and production of goods and services.			9.2.4.6.1	Compare and contrast characteristics of various market structures. <i>For example:</i> Characteristics—number of firms, amount of product differentiation, amount of market integration, barriers to entry, type of business organization. Market structures—perfect competition, polyopoly (or monopolistic competition), oligopoly, monopoly.	

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9 10 11 12	2. Economics	4. Microeconomic Concepts	6. Profit provides an incentive for individuals and businesses; different business organizations and market structures have an effect on the profit, price and production of goods and services.	9.2.4.6.2	<p>Explain the impact of various market structures on long-run profit, price, production, and efficiency in the market.</p> <p><i>For example:</i> Impact—In perfectly-competitive markets, profits direct resources to their most-valued use (the "invisible hand of the market"); a monopoly will restrict output below the efficient (or competitive) amount in order to drive up price and earn economic profits.</p>
9 10 11 12	2. Economics	4. Microeconomic Concepts	7. Resource markets and financial markets determine wages, interest rates and commodity prices.	9.2.4.7.3	<p>Describe commodities as natural resources necessary to produce goods and services; explain how world events and market speculation can affect commodity and other prices.</p> <p><i>For example:</i> Commodities—grains, minerals, oil, fruits, natural gas, wood. Effects—unrest in oil-producing nations raises the price of oil which raises the cost of energy of producing many goods and services.</p>
			8. Market failures occur when markets fail to allocate resources efficiently or meet other goals, and this often leads to government attempts to correct the problem.	9.2.4.8.1	<p>Identify and analyze market failures caused by a lack of competition, lack of resource mobility (barriers), and lack of perfect information; evaluate the rationale and effectiveness of government attempts to remedy these problems.</p> <p><i>For example:</i> Remedies—anti-trust laws, consumer protection laws, provision of consumer information, disclosure laws; Government agencies—Department of Justice, Securities Exchange Commission, Federal Trade Commission, Food and Drug Administration, Consumer Product Safety Commission.</p>

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9 10 11 12	2. Economics	4. Microeconomic Concepts	8. Market failures occur when markets fail to allocate resources efficiently or meet other goals, and this often leads to government attempts to correct the problem.	9.2.4.8.2	<p>Identify and analyze market failures caused by poorly-defined or poorly-enforced property rights, externalities, and public goods; evaluate the rationale and effectiveness of government attempts to remedy these problems.</p> <p><i>For example:</i> Hunting licenses to control access to deer, fish and other wildlife populations; the creation of a tradable discharge permit market for sulfur to correct the negative externality of acid rains; provision of police and courts to enforce private property rights. Government attempts to remedy problems—legal system, agencies (Environmental Protection Agency, Occupational Safety and Health Administration, Minnesota Department of Natural Resources).</p>