**Unit I – BASIC ECONOMIC CONCEPTS**

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| **Topic** | Learning Targets | Academic Vocabulary |
| the economic problem | □define economics and the economic problem□explain why scarcity is central to study of economics□define opportunity cost□ explain marginal cost, marginal benefit | economicsscarcityopportunity costrational self-interestmarginal analysisfree good |
| Topic | Learning Targets | Academic Vocabulary |
| economic goals and tradeoffs | □define the goals of economic growth, efficiency, price level stability, economic freedom, equity, and balance of trade.□analyze the tradeoffs which may occur in the pursuit of these economic goals. | economic growthefficiencyprice stabilityequitybalance of tradetradeoffs |
|  Topic Learning Targets | Academic Vocabulary |
| Factors of production (resources) | □define factors of production (resources, inputs)□define what is meant by land, labor, capital, and entrepreneurship in this context* Define human capital

□define "investment" as used in economics□define and give examples of capital and consumer goods | landlaborcapitalentrepreneurshiphuman capitalinvestmentcapital goodsconsumer goodsproductive efficiencyallocative efficiency |
| Topic | Learning Targets | Academic Vocabulary |
| Production possibilities | □analyze how a production possibilities curve depicts efficiency, opportunity cost, and economic growth□explain sources of economic growth and causes of declines in economic growth | production possibility curve (or frontier) |
| Topic | Learning Targets | Academic Vocabulary |
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| Characteristics of economic systems | □ explain basic characteristics of market systems□explain basic characteristics of command economies□explain the basic ideas of Adam Smith, the author of The Wealth of Nations□explain how market and command economies answer the basic economic questions of what, how,who.□ | market systemfree enterprisecapitalismcommand economysocialism, communismlaissez-faire capitalismintellectual propertycreative destructionconsumer sovereigntyinvisible hand of the marketplace |
| Topic | Learning Targets | Academic Vocabulary |
| Circular Flow of Economic Activity | □diagram circular flow of market economy with a government□explain flow of resources and goods and services with this diagram□ | resource (factor) marketproduct marketrevenueconsumption expenditurespublic goods and services |
| Topic | Learning Targets | Academic Vocabulary and Graphs |
| Providing public goods | * Identify public goods
* Analyze market failures
* Evaluate how the government allocates some resources by managing externalities
 | Public goodPublic sector, private sectorFree riderMarket failureexternality |
| Topic | Learning Targets | Academic Vocabulary |
| Providing a safety net | Summarize the US political debate on ways to fight povertyDescribe the main safety net programs. | Poverty thresholdWelfareCash transfersIn-kind benefits |