**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 | economics  scarcity  opportunity cost  rational self-interest  marginal analysis  free 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 growth  efficiency  price stability  equity  balance of trade  tradeoffs | | |
| 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 | land  labor  capital  entrepreneurship  human capital  investment  capital goods  consumer goods  productive efficiency  allocative 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 system  free enterprise  capitalism  command economy  socialism, communism  laissez-faire capitalism  intellectual property  creative destruction  consumer sovereignty  invisible 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) market  product market  revenue  consumption expenditures  public 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 good  Public sector, private sector  Free rider  Market failure  externality | | |
| Topic | Learning Targets | Academic Vocabulary | | |
| Providing a safety net | Summarize the US political debate on ways to fight poverty  Describe the main safety net programs. | Poverty threshold  Welfare  Cash transfers  In-kind benefits | | |