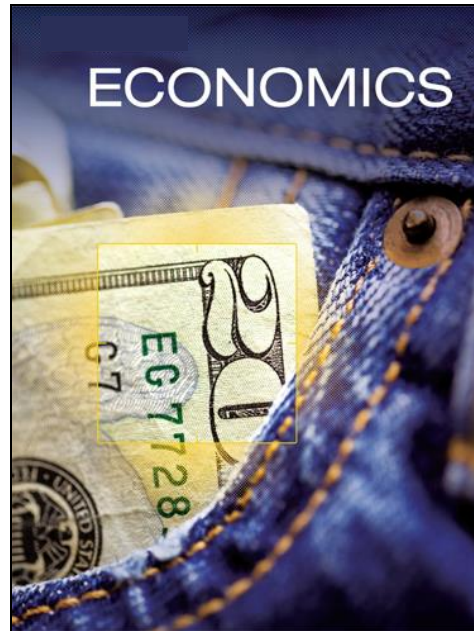


A Correlation of



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To the

Georgia Standards of Excellence

Economics

2016

**FORMAT FOR CORRELATION TO THE GEORGIA STANDARDS OF EXCELLENCE (GSE)
GRADES K-12 SOCIAL STUDIES AND SCIENCE**

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Standard (Cite Number)	Standard (Cite specific standard)	Where Taught (If print component, cite page number; if non-print, cite appropriate location.)
Economics	Economics is the study of how individuals, businesses, and governments make decisions about the allocation of scarce resources. The economics course provides students with a basic foundation in the field of economics. The course has five sections: fundamental concepts, microeconomics, macroeconomics, international economics, and personal finance. In each area, students are introduced to major concepts and themes concerning that aspect of economics. These sections and the standards and elements therein may be taught in any order or sequence.	
Fundamentals		

SSEF1	Explain why limited productive resources and unlimited wants result in scarcity, opportunity costs, and tradeoffs for individuals, businesses, and governments.	
a.	Define scarcity as a basic condition that exists when unlimited wants exceed limited productive resources.	SE/TE: Scarcity, 4–8 <i>Topic 1 Assessment</i> (2. Explain Scarcity), 17; (11. Explain Scarcity), 18
b.	Define and give examples of productive resources (i.e. factors of production): natural resources (i.e. land), human resources (i.e. labor and human capital), physical capital and entrepreneurship.	SE/TE: Factors of Production, 5–7, 37, 52, 102 <i>Topic 1 Assessment</i> (9. Describe Economic Factors), 18; (12. Describe Economic Factors), 18 <i>Topic 1 Assessment</i> (9. Describe Economic Factors), 18; (12. Describe Economic Factors), 18
c.	Explain the motivations that influence entrepreneurs to take risks (e.g., profit, job creation, innovation, and improving society).	SE/TE: Entrepreneurs Use Factors of Production, 5–7; Entrepreneurs, 32, 95
d.	Define opportunity cost as the next best alternative given up when individuals, businesses, and governments confront scarcity by making choices.	SE/TE: Opportunity Cost and Trade-Offs, 9–12; Opportunity Cost, 16 <i>Topic 10 Assessment</i> (2. Explain Concepts), 444; (4. Explain Concepts), 444; (6. Apply Concepts), 445
SSEF2	Give examples of how rational decision making entails comparing the marginal benefits and the marginal costs of an action.	
a.	Define marginal cost and marginal benefit.	SE/TE: Marginal Cost, 9, 11–12, 98–99, 137–138; Marginal Benefit, 9, 11–12

b.	Explain that rational decisions occur when the marginal benefits of an action equal or exceed the marginal costs.	SE/TE: Thinking at the Margin, 11–12
c.	Explain that people, businesses, and governments respond to positive and negative incentives in predictable ways.	SE/TE: Incentives and Competition, 30–31; Incentives, 21, 27, 32, 33, 37, 45, 118 <i>Topic 3 Assessment</i> (8. Describe Characteristics of Economic Systems), 124
SSEF3	Explain how specialization and voluntary exchange influence buyers and sellers.	
a.	Explain how and why individuals and businesses specialize, including division of labor.	SE/TE: The Role of Specialization, 27–28 <i>Topic 7 Assessment</i> (23. Analyze Trade and Growth), 316
b.	Explain that both parties gain as a result of voluntary, non-fraudulent exchange.	SE/TE: Markets Defined, 27; Buying and Selling, 28; Voluntary Exchange, 50; Exchange of Goods, 44, 46
SSEF4	Compare and contrast different economic systems and explain how they answer the three basic economic questions of what to produce, how to produce, and for whom to produce.	
a.	Compare traditional, command, market, and mixed economic systems with regard to private ownership, profit motive, consumer sovereignty, competition, and government regulation.	SE/TE: Free Markets, 27–32; Centrally Planned Economies, 33–37; Mixed Economies, 38–43 <i>Topic 2 Assessment</i> (6. Understand Terms), 63
b.	Analyze how each type of system answers the three economic questions and meets the broad social and economic goals of freedom, security, equity, growth, efficiency, price stability, full employment, and sustainability.	SE/TE: The Three Basic Economic Questions, 22–23; Free Markets, 27–32; Centrally Planned Economies, 33–37; Mixed Economies, 38–43 <i>Topic 2 Assessment</i> (6. Understand Terms), 63

c.	Compare and contrast strategies for allocating scarce resources, such as by price, majority rule, contests, force, sharing, lottery, authority, first-come-first-served, and personal characteristics.	SE/TE: Free Markets, 27–32; Centrally Planned Economies, 33–37; Mixed Economies, 38–43 <i>Topic 2 Assessment</i> (3. Describe and Explain Basic Characteristics of Economic Systems), 63; (5. Examine Socialist Economic Systems), 63; (6. Understand Terms), 63
SSEF5	Describe the roles of government in the United States economy.	
a.	Explain why government provides public goods and services, redistributes income, protects property rights, and resolves market failures.	SE/TE: The Role of the Government, 42; Benefits of Free Enterprise, 44–50; Supporting Economic Growth, 51–55; Public Goods and Externalities, 56–62 <i>Topic 2 Assessment</i> (20. Describe the Role of Government in the Free Enterprise System and Categorize Economic Information), 65
b.	Explain the effects on consumers and producers caused by government regulation and deregulation	SE/TE: Negative Effects of Regulation, 49–50; Government Regulation and Competition, 148–153 <i>Topic 2 Assessment</i> (11. Evaluate Government Rules and Regulations in the Free Enterprise System), 64; (16. Evaluate Ordinances and Regulations That Apply to Businesses), 64
SSEF6	Explain how productivity, economic growth, and future standards of living are influenced by investment in factories, machinery, new technology, and the health, education, and training of people.	
a.	Define productivity as the relationship of inputs to outputs.	SE/TE: Production Possibilities, 13–16 <i>Topic 1 Assessment</i> (5. Interpret Curves), 17

b.	Explain how investment in equipment and technology can lead to economic growth.	SE/TE: Capital, 6; Technology and Training, 16; The Effect Technology on Input Costs, 99 <i>Topic 1 Assessment</i> (9. Describe Economic Factors), 18
c.	Explain how investments in human capital (e.g., education, job training, and healthcare) can lead to a higher standard of living.	SE/TE: Human Capital, 6; Technology and Training, 16 <i>Topic 1 Assessment</i> (9. Describe Economic Factors), 18
d.	Analyze, by means of a production possibilities curve: trade-offs, opportunity cost, growth, and efficiency.	SE/TE: Drawing a Production Possibilities Curve, 13–14; Changing Production Possibilities, 14–16 <i>Topic 1 Assessment</i> (5. Interpret Curves), 17
Microeconomics		
SSEMI1	Describe how households and businesses are interdependent and interact through flows of goods, services, resources, and money.	
a.	Illustrate a circular flow diagram that includes the product market, the resource (factor) market, households, and firms.	SE/TE: Circular Flow Model of a Market Economy, 29 <i>Topic 2 Assessment</i> (13. Interpret a Circular Flow Model of the Economy), 64; (18. Provide Examples to Illustrate Economic Models), 65
b.	Explain the real flow of goods, services, resources, and money between and among households and firms.	SE/TE: Elements of a Free Market Economy, 28–29 <i>Topic 2 Assessment</i> (13. Interpret a Circular Flow Model of the Economy), 64; (18. Provide Examples to Illustrate Economic Models), 65

SSEMI2	Explain how the law of demand, the law of supply, and prices work to determine production and distribution in a market economy.	
a.	Define the law of supply and the law of demand.	SE/TE: Fundamentals of Demand, 68–72; Fundamentals of Supply, 85–90 <i>Topic 3 Assessment</i> (1. Interpret a Graph, Create Economic Models, and Transfer Information), 123; (4. Identify Non-Price Determinants, Evaluate Government Rules and Regulations, and Create a Written Presentation), 123; (6. Interpret a Graph and Use Mathematical Skills), 124; (13. Identify Non-Price Determinants), 125
b.	Distinguish between supply and quantity supplied, and demand and quantity demanded.	SE/TE: Setting Output, 94–96; Input Costs and Changes in Supply, 98–99 <i>Topic 3 Assessment</i> (1. Interpret a Graph, Create Economic Models, and Transfer Information), 123
c.	Describe the role of buyers and sellers in determining market clearing price (i.e. equilibrium).	SE/TE: Achieving Equilibrium, 104–105 <i>Topic 3 Assessment</i> (4. Identify Non-Price Determinants, Evaluate Government Rules and Regulations, and Create a Written Presentation), 123
d.	Illustrate on a graph how supply and demand determine equilibrium price and quantity.	SE/TE: Equilibrium and Price Controls, 104–110; Changes in Market Equilibrium, 111–116; Prices at Work, 117–122 <i>Topic 3 Assessment</i> (4. Identify Non-Price Determinants, Evaluate Government Rules and Regulations, and Create a Written Presentation), 123
e.	Identify the determinants (shifters) of supply (e.g., changes in costs of productive resources, government regulations, number of sellers, producer expectations, technology, and education) and illustrate the effects on a supply and demand graph.	SE/TE: Changes in Supply, 98–103 <i>Topic 3 Assessment</i> (4. Identify Non-Price Determinants, Evaluate Government Rules and Regulations, and Create a Written Presentation), 123; (6. Interpret a Graph and Use Mathematical Skills), 124; (13. Identify Non-Price Determinants), 125

f.	Identify the determinants (shiffters) of demand (e.g., changes in related goods, income, consumer expectations, preferences/tastes, and number of consumers) and illustrate the effects on a supply and demand graph.	<p>SE/TE: Shifts in Demand, 73–77; Elasticity of Demand, 78–84</p> <p><i>Topic 3 Assessment</i> (4. Identify Non-Price Determinants, Evaluate Government Rules and Regulations, and Create a Written Presentation), 123; (6. Interpret a Graph and Use Mathematical Skills), 124; (13. Identify Non-Price Determinants), 125</p>
g.	Explain and illustrate on a graph how prices set too high (e.g., price floors) create surpluses, and prices set too low (e.g., price ceilings) create shortages.	<p>SE/TE: Price Ceilings, 107–109; Price Floors, 109–110</p> <p><i>Topic 3 Assessment</i> (2. Understand the Effect of Changes in Price), 123; (3. Understand the Effect of Changes in Price), 123</p>
SSEMI3	Explain the organization and role of business and analyze the four types of market structures in the U.S. economy.	
a.	Compare and contrast three forms of business organization—sole proprietorship, partnership, and corporation with regards to number of owners, liability, lifespan, decision-making, and taxation.	<p>SE/TE: Sole Proprietorships, 160–164; Partnerships and Franchises, 165–170; Corporations, 171–176</p> <p><i>Topic 5 Assessment</i> (3. Explain and Analyze Sole Proprietorships), 204; (4. Explain and Analyze Sole Proprietorships), 204; (11. Explain and Analyze Partnerships), 206; (12. Analyze Advantages), 206</p>
b.	Identify the basic characteristics of monopoly, oligopoly, monopolistic competition, and pure (perfect) competition with regards to number of sellers, barriers to entry, price control, and product differentiation.	<p>SE/TE: Pure Competition, 128–132; Monopolies, 133–140; Monopolistic Competition and Oligopoly, 141–147</p> <p><i>Topic 4 Assessment</i> (5. Give Examples), 154; (10. Give Examples), 155; (11. Describe Characteristics), 155</p>

Macroeconomics		
SSEMA1	Illustrate the means by which economic activity is measured.	
a.	Identify and describe the macroeconomic goals of steady economic growth, stable prices, and full employment.	SE/TE: Supporting Economic Growth, 51–55 <i>Topic 2 Assessment</i> (4. Analyze Costs and Benefits of Economic Policies), 63
b.	Define Gross Domestic Product (GDP) as the sum of Consumer Spending, Investment, Government Spending, and Net Exports (output expenditure model).	SE/TE: Gross Domestic Product, 270–276 <i>Topic 7 Assessment</i> (5. Interpret Economic Data and Analyze Information), 313; (7. Interpret Economic Data), 314; (12. Interpret Economic Data and Create Written Presentations), 315
c.	Define unemployment rate, Consumer Price Index (CPI), inflation, real GDP, aggregate supply and aggregate demand and explain how each is used to evaluate the macroeconomic goals from SSEMA1a.	SE/TE: Tracking the Economy, 51–52; Unemployment, 291–296; Gross Domestic Product, 270–276; Inflation and Deflation, 297–302; Measuring Economic Growth, 284–285 <i>Topic 7 Assessment</i> (10. Interpret Economic Data and Analyze Economic Information), 314; (13. Interpret Economic Data), 315; (14. Analyze Productivity and Growth), 315; (15. Analyze Technology and Growth), 315
d.	Give examples of who benefits and who loses from unanticipated inflation.	SE/TE: Inflation and Deflation, 297–302 <i>Topic 7 Assessment</i> (10. Interpret Economic Data and Analyze Economic Information), 314; (13. Interpret Economic Data), 315
e.	Identify seasonal, structural, cyclical, and frictional unemployment.	SE/TE: Unemployment, 291–296
f.	Define the stages of the business cycle, including: peak, contraction, trough, recovery/expansion as well as recession and depression.	SE/TE: Business Cycles, 277–283 <i>Topic 9 Assessment</i> (17. Analyze Business Cycles), 387

SSEMA2	Explain the role and functions of the Federal Reserve System.	
a.	Explain the roles/functions of money as a medium of exchange, store of value, and unit of account/standard of value.	SE/TE: The Role of Money, 210–215 <i>Topic 6 Assessment</i> (9. Describe the Characteristics of Money, Including Fiat Money), 265; (12. Analyze the Dollar), 265
b.	Describe the organization of the Federal Reserve System (12 Districts, Federal Open Market Committee (FOMC), and Board of Governors).	SE/TE: The Structure of the Federal Reserve System, 226–227 <i>Topic 6 Assessment</i> (6. Explain the Structure), 264; (11. Explain the Actions), 265; (16. Describe Characteristics and Examine Aspects), 265
c.	Define monetary policy.	SE/TE: Monetary Policy, 223 <i>Topic 6 Assessment</i> (10. Analyze Basic Tools), 265; (19. Examine Financial Accounts), 266
d.	Define the tools of monetary policy including reserve requirement, discount rate, open market operations, and interest on reserves.	SE/TE: The Fed’s Roles: Serving the Government, 228; Serving and Regulating Banks, 229–230; Regulating the Money Supply, 231–232; Monetary Policy Options, 373–378 <i>Topic 9 Assessment</i> (18. Analyze Tools and Explain Actions), 387; (19. Explain Actions and Analyze Tools), 387
e.	Describe how the Federal Reserve uses the tools of monetary policy to promote its dual mandate of price stability and full employment, and how those affect economic growth.	SE/TE: The Effects of Monetary Policy, 375–384 <i>Topic 9 Assessment</i> (5. Analyze U.S. Economic Policies and Analyze Information by Categorizing), 385; (8. Analyze Tools and Explain Actions), 385; (16. Analyze Information and Explain Actions), 386; (18. Analyze Tools and Explain Actions), 387; (19. Explain Actions and Analyze Tools), 387

SSEMA3	Explain how the government uses fiscal policy to promote price stability, full employment, and economic growth.	
a.	Define fiscal policy.	SE/TE: Fiscal Policy, 348 <i>Topic 9 Assessment</i> (2. Explain Federal Reserve Actions and Analyze the Impact of Fiscal Policy), 385; (9. Analyze Fiscal Policy Decisions), 385; (10. Analyze Fiscal Policy Decisions), 385
b.	Explain the effect on the economy of the government's taxing and spending decisions in promoting price stability, full employment, and economic growth.	SE/TE: The Federal Budget and Fiscal Policy, 348–355; Fiscal Policy Option, 356–365 <i>Topic 9 Assessment</i> (2. Explain Federal Reserve Actions and Analyze the Impact of Fiscal Policy), 385; (9. Analyze Fiscal Policy Decisions), 385; (10. Analyze Fiscal Policy Decisions), 385; (20. Analyze Changes in Characteristics), 387
c.	Explain how government budget deficits or surpluses impact national debt.	SE/TE: The National Debt and Deficits, 366–372 <i>Topic 9 Assessment</i> (20. Analyze Changes in Characteristics), 387
International		
SSEIN1	Explain why individuals, businesses, and governments trade goods and services.	
a.	Define and distinguish between absolute advantage and comparative advantage.	SE/TE: Absolute and Comparative Advantage, 392–393; Comparative Advantage in World Trade, 393–394 <i>Topic 10 Assessment</i> (3. Apply Concepts), 444; (4. Explain Concepts), 444; (6. Apply Concepts), 445
b.	Explain that most trade takes place because of comparative advantage in the production of a good or service.	SE/TE: Why Nations Trade, 390–397 <i>Topic 10 Assessment</i> (7. Compare Effects of Trade), 445; (9. Evaluate Free-Trade), 446; (14. Analyze Trade), 446

c.	Define balance of trade, trade surplus, and trade deficit.	SE/TE: Trade Balance, 412; Trade Deficit, 288, 407, 412–414; Trade Surplus, 407, 411, 412 <i>Topic 10 Assessment</i> (7. Compare Effects of Trade), 445; (9. Evaluate Free-Trade), 446; (14. Analyze Trade), 446
SSEIN2	Explain why countries sometimes erect trade barriers and sometimes advocate free trade.	
a.	Define trade barriers such as tariffs, quotas, embargoes, standards, and subsidies.	SE/TE: Trade Barriers and Agreements, 398–406 <i>Topic 10 Assessment</i> (7. Compare Effects of Trade), 445
b.	Identify costs and benefits of trade barriers to consumers and producers over time.	SE/TE: Effects of Trade Barriers, 399–400; Arguments for Protectionism, 400–402; Graphic Organizer: Opposing Views on Trade, 402 <i>Topic 10 Assessment</i> (7. Compare Effects of Trade), 445
c.	Describe the purpose of trading blocs such as the EU, NAFTA, and ASEAN.	SE/TE: Regional Trade Organizations, 403–405 <i>Topic 10 Assessment</i> (7. Compare Effects of Trade), 445
d.	Evaluate arguments for and against free trade.	SE/TE: Free Trade and Trade Barriers, 398–399; Effects of Trade Barriers, 399–400; Arguments for Protectionism, 400–402; Graphic Organizer: Opposing Views on Trade, 402 <i>Topic 10 Assessment</i> (7. Compare Effects of Trade), 445

SSEIN3	Explain how changes in exchange rates can have an impact on the purchasing power of groups in the United States and in other countries.	
a.	Define exchange rate as the price of one nation's currency in terms of another nation's currency.	SE/TE: Exchange Rates, 408 <i>Topic 10 Assessment</i> (10. Analyze Exchange Rates), 446; (11. Analyze Exchange Rates), 446
b.	Interpret changes in exchange rates, in regards to appreciation and depreciation of currency.	SE/TE: Appreciating Currency, 408; Depreciating Currency, 409 <i>Topic 10 Assessment</i> (10. Analyze Exchange Rates), 446; (11. Analyze Exchange Rates), 446
c.	Explain why some groups benefit and others lose when exchange rates change.	SE/TE: Exchange Rates and Trade, 407–414 <i>Topic 10 Assessment</i> (10. Analyze Exchange Rates), 446; (11. Analyze Exchange Rates), 446
Personal Finance		
SSEPF1	Apply rational decision making to personal spending and saving choices.	
a.	Use a rational decision making model to evaluate the costs and benefits of post-high school life choices (i.e., college, technical school, military enlistment, workforce participation, or other option).	SE/TE: After High School, 511–516
b.	Create a budget that includes a savings or financial investment plan for a future goal.	SE/TE: Budgeting, 476–478

SSEPF2	Explain that banks and other financial institutions are businesses that channel funds from savers to investors.	
a.	Compare services offered by different financial institutions, including banks, credit unions, payday lenders, and title pawn lenders.	SE/TE: Checking, 478–482
b.	Explain reasons for the spread between interest charged and interest earned.	SE/TE: Investments, 483–486
c.	Give examples of the direct relationship between risk and return.	SE/TE: Investments, 483–486
d.	Evaluate the risk and return of a variety of savings and investment options, including: savings accounts, certificates of deposit, retirement accounts, stocks, bonds, and mutual funds.	SE/TE: Investments, 483–486
SSEPF3	Explain how changes in taxation can have an impact on an individual's spending and saving choices.	
a.	Define progressive, regressive, and proportional taxes.	SE/TE: Tax Structures and Tax Bases, 321–323 <i>Topic 8 Assessment</i> (4. Identify Economic Concepts and Create Presentations), 344; (5. Analyze Costs and Benefits), 344; (6. Identify Economic Importance), 344; (9. Analyze Costs and Benefits and Transfer Information and Create Presentations), 345; (10. Identify Economic Importance and Attribute Ideas and Information), 345

b.	Explain how an increase in sales tax affects different income groups.	SE/TE: The Tax Burden, 323; Who Bears the Tax Burden, 324; Sales Tax, 45, 320, 322, 343 <i>Topic 8 Assessment</i> (4. Identify Economic Concepts and Create Presentations), 344; (5. Analyze Costs and Benefits), 344; (6. Identify Economic Importance), 344; (9. Analyze Costs and Benefits and Transfer Information and Create Presentations), 345; (10. Identify Economic Importance and Attribute Ideas and Information), 345
c.	Explain the impact of property taxes on individuals and communities.	SE/TE: The Tax Burden, 323; Who Bears the Tax Burden, 324; Property Tax, 320, 322, 342 <i>Topic 8 Assessment</i> (4. Identify Economic Concepts and Create Presentations), 344; (5. Analyze Costs and Benefits), 344; (6. Identify Economic Importance), 344; (9. Analyze Costs and Benefits and Transfer Information and Create Presentations), 345; (10. Identify Economic Importance and Attribute Ideas and Information), 345
SSEPF4	Evaluate the costs and benefits of using credit.	
a.	Describe factors that affect credit worthiness and the ability to receive favorable interest rates including character (credit score), collateral, and capacity to pay.	SE/TE: Credit and Debt, 493–497
b.	Compare interest rates on loans and credit cards from different institutions.	SE/TE: Credits Traps and Tips, 495; Loans, 496
c.	Define annual percentage rate and explain the difference between simple and compound interest rates, as well as fixed and variable interest rates.	SE/TE: Credits Traps and Tips, 495; also see: The Cost of Credit, 279

SSEPF5	Describe how insurance and other risk-management strategies protect against financial loss.	
a.	List and describe various types of insurance such as automobile, health, life, disability, and property.	SE/TE: Risk Management, 498–502
b.	Explain the costs and benefits associated with different types of insurance, including deductibles, premiums, shared liability, and asset protection.	SE/TE: Risk Management, 498–502
SSEPF6	Describe how the earnings of workers are determined in the marketplace.	
a.	Identify skills that are required to be successful in the workplace, including positive work ethics, punctuality, time management, teamwork, communication skills, and good character.	SE/TE: After High School, 511–516
b.	Explore job and career options and explain the significance of investment in education, training, and skill development as it relates to future earnings.	SE/TE: After High School, 511–516