

Indiana Academic Standards: Economics

Approved March 2014

Indiana Department of Education
College and Career Readiness Curriculum

What are standards?

Standards outline *what students need to know, understand, and be able to do.*

Academic standards are benchmark measures that define what students should know and be able to do at specified grade levels beginning in kindergarten and progressing through grade twelve. The standards are promulgated as state regulations. As such, they must be used as the basis for curriculum and instruction in Indiana's accredited schools. **The academic standards are *NOT* a curriculum;** therefore, identifying the sequence of instruction in each grade—what will be taught and how long—requires concerted effort and attention at the district/school level. Academic standards do not prescribe any particular curriculum. Curriculum tools are selected at the district/school level and adopted through the local school board. No student, by virtue of poverty, age, race, gender, cultural or ethnic background, disabilities, or family situation will ultimately be exempt from learning the required academic standards, although it is acknowledged that individual students may learn in different ways and at different rates. Academic standards focus on what students will need to learn in order to be college and career ready and to be competitive in the job market.

ECONOMICS

Economics examines the allocation of resources and their uses for satisfying human needs and wants. The course analyzes the economic reasoning and behaviors of consumers, producers, savers, investors, workers, voters, institutions, governments, and societies in making decisions. Students explain that because resources are limited, people must make choices and understand the role that supply, demand, prices, and profits play in a market economy. Key elements of the course include study of scarcity and economic reasoning, supply and demand, market structures, the role of government, national economic performance, the role of financial institutions, economic stabilization, and trade.

At the high school level, Indiana's academic standards for social studies provide standards for specific courses that focus on one of the five content areas that make up the core of the social studies curriculum: history; government; geography; economics; and individuals, society and culture (psychology, sociology, and anthropology). One of these content areas is the major focus of the course while the other areas play supporting roles or become completely integrated into the course content. Each high school course continues to develop skills for thinking, inquiry and research, and participation in a democratic society.

- DOE Code: 1514
- *Recommended Grade Level: Grades 11 or 12*
- *Recommended Prerequisites: None*
- *Credits: 1 semester course, 1 credit*
- *Fulfills the Economics requirement for the Core 40, Core 40 with Academic Honors, Core 40 with Technical Honors and International Baccalaureate diplomas, a Social Studies requirement for the General Diploma, or counts as an Elective for any diploma*
- Qualifies as a Quantitative Reasoning course

CONTENT STANDARDS

Standard 1 — Scarcity and Economic Reasoning

Students understand that productive resources are limited; therefore, people, institutions, and governments cannot have all the goods and services they want. As a result, people, institutions, and governments must choose some things and give up others.

Standard 2 — Supply and Demand

Students understand the role that supply and demand, prices, and profits play in determining production and distribution in a market economy.

Standard 3 — Market Structures

Students understand the role of business firms and analyze the various types of market structures in the United States economy.

Standard 4 — The Role of Government

Students understand that typical microeconomic roles of government in a market or mixed economy are the provision of public goods and services, redistribution of income, protection of property rights, and resolution of market failures.

Standard 5 — National Economic Performance

Students understand the means by which economic performance is measured and the causes and effects of business cycles in a market economy.

Standard 6 — Money and the Role of Financial Institutions

Students understand the role of money and financial institutions in a market economy.

Standard 7 — Economic Stabilization

Students understand the macroeconomic role of the government in developing and implementing economic stabilization policies and how these policies impact the macroeconomy.

Standard 8 — Trade

Students understand why households, businesses, and governments trade goods and services and how trade affects the economies of the world.

Standard 1: Scarcity and Economic Reasoning

Students understand that productive resources are limited; therefore, people, institutions, and governments cannot have all the goods and services they want. As a result, people, institutions, and governments must choose some things and give up others.

- E.1.1** Define and identify each of the productive resources (natural, human, capital) and explain why each is necessary for the production of goods and services.
- E.1.2** Explain that entrepreneurs combine productive resources to produce goods and services with the goal of making a profit.
- E.1.3** Identify incentives and explain how they influence decisions.
- E.1.4** Explain that voluntary exchange occurs when households, businesses, and governments expect to gain.
- E.1.5** Define scarcity and explain how choices incur opportunity costs and tradeoffs.
- E.1.6** Use a production possibilities curve to explain the concepts of choice, scarcity, opportunity cost, tradeoffs, unemployment, productivity, and growth.
- E.1.7** Describe and compare the various economic systems (traditional, market, command, mixed); explain their strengths and weaknesses.
- E.1.8** Describe how clearly defined and enforced property rights are essential to a market economy.
- E.1.9** Diagram and explain the circular flow model of a market economy.

Standard 2: Supply and Demand

Students understand the role that supply and demand, prices, and profits play in determining production and distribution in a market economy.

- E.2.1** Define supply and demand and explain the causes of the Law of Supply and the Law of Demand.
- E.2.2** Recognize that consumers ultimately determine what is produced in a market economy.
- E.2.3** Illustrate how supply and demand determine equilibrium price and quantity.
- E.2.4** Identify factors that cause changes in market supply and demand and how these changes affect price and quantity in a competitive market.
- E.2.5** Describe how elasticity (price) sends signals to buyers and sellers.
- E.2.6** Demonstrate how government wage and price controls, such as rent controls and minimum wage laws, create shortages and surpluses.
- E.2.7** Describe how the earnings of workers are determined by the market value of the product produced and workers' productivity, as well as other factors.
- E.2.8** Illustrate how physical and human capital investment raise productivity and future standards of living.

Standard 3: Market Structures

Students understand the role of business firms and analyze the various types of market structures in the United States economy.

- E.3.1** Identify the ways that firms raise financial capital and explain the advantages and disadvantages of each.
- E.3.2** Demonstrate how firms determine optimum levels of output by comparing marginal cost and marginal revenue.
- E.3.3** Compare and contrast the basic characteristics of the four market structures: monopoly, oligopoly, monopolistic competition, and pure competition; explain how various amounts of competition affect price and quantity.
- E.3.4** Recognize the benefits of natural monopolies (economies of scale) and explain the purposes of government regulation of these monopolies.

Standard 4 : The Role of Government

Students understand that typical microeconomic roles of government in a market or mixed economy are the provision of public goods and services, redistribution of income, protection of property rights, and resolution of market failures.

- E.4.1 Explain the roles of government in a market economy.
- E.4.2 Explain how markets underproduce public goods and explain why the government has an interest in producing these public goods.
- E.4.3 Describe how the government taxes negative externalities (spillovers) and subsidizes positive externalities (spillovers) to resolve the inefficiencies they cause.
- E.4.4 Describe major revenue and expenditure categories and their respective proportions of state and federal budgets.
- E.4.5 Define progressive, proportional, and regressive taxation and determine whether different types of taxes (including income, sales, and Social Security) are progressive, proportional, or regressive.
- E.4.6 Explain how costs of government policies may exceed benefits because social or political goals (rather than economic efficiency) are being pursued.
- E.4.7 Define the national debt, explain the effects of the debt on the economy, and explain how to achieve a balanced budget.

Standard 5: National Economic Performance

Students understand the means by which economic performance is measured and the causes and effects of business cycles in a market economy.

- E.5.1 Explain measures of a country's economic performance such as gross domestic product (GDP), unemployment, and inflation.
- E.5.2 Recognize that a country's overall level of income, employment, and prices is determined by rational spending and production decisions of households, firms, and government.
- E.5.3 Explain the limitations of using GDP to measure economic welfare.
- E.5.4 Identify the different causes of inflation (including cost-push and demand-pull) and explain the impact of inflation on economic decisions.
- E.5.5 Explain and illustrate the impact of changes in aggregate supply and aggregate demand.
- E.5.6 Explain the causes and effects of business cycles in a market economy.
- E.5.7 Explain the different types of unemployment.
- E.5.8 Describe the impact of unemployment and unexpected inflation on an economy and how individuals and organizations try to protect themselves.

Standard 6: Money and the Role of Financial Institutions

Students understand the role of money and financial institutions in a market economy.

- E.6.1 Explain the basic functions of money.
- E.6.2 Identify the composition of the money supply of the United States.
- E.6.3 Explain the roles of financial institutions.
- E.6.4 Demonstrate how banks create money through the principle of fractional reserve banking.
- E.6.5 Describe the structure and functions of the Federal Reserve System.
- E.6.6 Explain how interest rates act as an incentive for savers and borrowers.
- E.6.7 Compare and contrast different types of financial investments.
- E.6.8 Demonstrate how supply and demand determine equilibrium price and quantity in the financial markets.

Standard 7: Economic Stabilization

Students understand the macroeconomic role of the government in developing and implementing economic stabilization policies and how these policies impact the macroeconomy.

- E.7.1 Define and explain fiscal and monetary policy.
- E.7.2 Explain the tools of fiscal and monetary policy.
- E.7.3 Analyze how the government uses fiscal policy to promote price stability, full employment, and economic growth.
- E.7.4 Explain how the use of fiscal policy affects budget deficits or surpluses and the national debt.
- E.7.5 Analyze how the Federal Reserve uses monetary policy to promote price stability, full employment, and economic growth.
- E.7.6 Compare and contrast the major macroeconomic theories.

Standard 8: Trade

Students understand why households, businesses, and governments trade goods and services and how trade affects the economies of the world.

- E.8.1** Explain that most trade occurs because producers have a comparative advantage (rather than an absolute advantage) in the production of a good or service.
- E.8.2** Explain the benefits of trade among households and countries.
- E.8.3** Explain the difference between balance of trade and balance of payments.
- E.8.4** Define and explain the impact of trade barriers, such as quotas and tariffs, and analyze why countries erect them.
- E.8.5** Evaluate the arguments for and against free trade.
- E.8.6** Explain how changes in exchange rates affects the value of imports and exports.



Indiana Academic Standards
Content Area Literacy: History/Social Studies
Approved April 2014

Guiding Principle: *Students develop discipline-specific reading and writing skills. Within the areas of History/Social Studies, students apply these skills in order to develop a deeper understanding of the content area.*

There are six key areas found in the Literacy in History/Social Studies section for grades 6-12: Key Ideas and Textual Support, Structural Elements and Organization, Synthesis and Connection of Ideas, Writing Genres, the Writing Process, and the Research Process. By demonstrating the skills listed in each section, students should be able to meet the Learning Outcome for Literacy in History/Social Studies.

Note that the standards in this section are not designed for implementation in an English/Language Arts classroom. Instead, they provide guidance to content area teachers in grades 6-12 (e.g., History/Social Studies teachers, Science teachers, Career and Technical Education teachers, etc.) on expectations for integrating reading and writing skills into their classrooms.

In Literacy in History/Social Studies, students are expected to do the following:

LH.1: LEARNING OUTCOME FOR LITERACY IN HISTORY/SOCIAL STUDIES		
Read and comprehend history/social studies texts independently and proficiently, and write effectively for a variety of discipline-specific tasks, purposes, and audiences		
GRADES 6-8	GRADES 9-10	GRADES 11-12
6-8.LH.1.1: Read and comprehend history/social studies texts within a range of complexity appropriate for grades 6-8 independently and proficiently by the end of grade 8.	9-10.LH.1.1: Read and comprehend history/social studies texts within a range of complexity appropriate for grades 9-10 independently and proficiently by the end of grade 10.	11-12.LH.1.1: Read and comprehend history/social studies texts within a range of complexity appropriate for grades 11-CCR independently and proficiently by the end of grade 12.
6-8.LH.1.2: Write routinely over a variety of time frames for a range of discipline-specific tasks, purposes, and audiences.	9-10.LH.1.2: Write routinely over a variety of time frames for a range of discipline-specific tasks, purposes, and audiences.	11-12.LH.1.2: Write routinely over a variety of time frames for a range of discipline-specific tasks, purposes, and audiences.

LH.2: KEY IDEAS AND TEXTUAL SUPPORT (READING)

Extract and construct meaning from history/social studies texts using a variety of comprehension skills

GRADES 6-8	GRADES 9-10	GRADES 11-12
6-8.LH.2.1: Cite specific textual evidence to support analysis of primary and secondary sources.	9-10.LH.2.1: Cite specific textual evidence to support analysis of primary and secondary sources, attending to such features as the date and origin of the information.	11-12.LH.2.1: Cite specific textual evidence to support analysis of primary and secondary sources, connecting insights gained from specific details to an understanding of the text as a whole.
6-8.LH.2.2: Determine the central ideas or information of a primary or secondary source; provide an accurate summary of the source distinct from prior knowledge or opinions.	9-10.LH.2.2: Determine the central ideas or information of a primary or secondary source; provide an accurate summary of how key events or ideas develop over the course of the text.	11-12.LH.2.2: Determine the central ideas or information of a primary or secondary source; provide an accurate summary that makes clear the relationships among the key details and ideas.
6-8.LH.2.3: Identify key steps in a text's description of a process related to history/social studies (e.g., <i>how a bill becomes a law, how interest rates are raised or lowered</i>).	9-10.LH.2.3: Analyze in detail a series of events described in a text; determine whether earlier events caused later ones or simply preceded them.	11-12.LH.2.3: Evaluate various explanations for actions or events, and determine which explanation best accords with textual evidence, acknowledging where the text leaves matters uncertain.

LH.3: STRUCTURAL ELEMENTS AND ORGANIZATION (READING)

Build understanding of history/social studies texts, using knowledge of structural organization and author's purpose and message

GRADES 6-8	GRADES 9-10	GRADES 11-12
6-8.LH.3.1: Determine the meaning of words and phrases as they are used in a text, including vocabulary specific to domains related to history/social studies.	9-10.LH.3.1: Determine the meaning of words and phrases as they are used in a text, including vocabulary describing political, social, or economic aspects of history/social studies.	11-12.LH.3.1: Determine the meaning of words and phrases as they are used in a text, including analyzing how an author uses and refines the meaning of a key term over the course of a text (e.g., <i>how Madison defines faction in Federalist No. 10</i>).
6-8.LH.3.2: Describe how a text presents information (e.g., <i>sequentially, comparatively, causally</i>).	9-10.LH.3.2: Analyze how a text uses structure to emphasize key points or advance an explanation or analysis.	11-12.LH.3.2: Analyze in detail how a complex primary source is structured, including how key sentences, paragraphs, and larger portions of the text contribute to the whole.
6-8.LH.3.3: Identify aspects of a text that reveal an author's perspective or purpose (e.g., <i>loaded language, inclusion or avoidance of particular facts</i>).	9-10.LH.3.3: Compare the perspectives of two or more authors for how they treat the same or similar topics, including which details they include and emphasize in their respective accounts.	11-12.LH.3.3: Evaluate authors' differing perspectives on the same historical event or issue by assessing the authors' claims, reasoning, and evidence.

LH.4: SYNTHESIS AND CONNECTION OF IDEAS (READING)

Build understanding of history/social studies texts by synthesizing and connecting ideas and evaluating specific claims

GRADES 6-8	GRADES 9-10	GRADES 11-12
6-8.LH.4.1: Integrate visual information (e.g., <i>charts, graphs, photographs, videos, or maps</i>) with other information in print and digital texts.	9-10.LH.4.1: Integrate quantitative or technical analysis (e.g., <i>charts, research data</i>) with qualitative analysis in print or digital text.	11-12.LH.4.1: Integrate and evaluate multiple sources of information presented in diverse formats and media (e.g., <i>visually, quantitatively, as well as in words</i>) in order to address a question or solve a problem.
6-8.LH.4.2: Distinguish among fact, opinion, and reasoned judgment in a text.	9-10.LH.4.2: Assess the extent to which the reasoning and evidence in a text support the author's claims.	11-12.LH.4.2: Evaluate an author's premises, claims, and evidence by corroborating or challenging them with other information.
6-8.LH.4.3: Compare and contrast treatments of the same topic in a primary and secondary source.	9-10.LH.4.3: Analyze the relationships among primary and secondary sources on the same topic.	11-12.LH.4.3: Integrate information from diverse sources, both primary and secondary, into a coherent understanding of an idea or event, noting discrepancies among sources.

LH.5: WRITING GENRES (WRITING)

Write for different purposes and to specific audiences or people

GRADES 6-8	GRADES 9-10	GRADES 11-12
6-8.LH.5.1: Write arguments focused on discipline-specific content.	9-10.LH.5.1: Write arguments focused on discipline-specific content.	11-12.LH.5.1: Write arguments focused on discipline-specific content.
6-8.LH.5.2: Write informative texts, including analyses of historical events.	9-10.LH.5.2: Write informative texts, including analyses of historical events.	11-12.LH.5.2: Write informative texts, including analyses of historical events.

LH.6: THE WRITING PROCESS (WRITING)

Produce coherent and legible documents by planning, drafting, revising, editing, and collaborating with others

GRADES 6-8	GRADES 9-10	GRADES 11-12
6-8.LH.6.1: Plan and develop; draft; revise using appropriate reference materials; rewrite; try a new approach; and edit to produce and strengthen writing that is clear and coherent, with some guidance and support from peers and adults.	9-10.LH.6.1: Plan and develop; draft; revise using appropriate reference materials; rewrite; try a new approach, focusing on addressing what is most significant for a specific purpose and audience; and edit to produce and strengthen writing that is clear and coherent.	11-12.LH.6.1: Plan and develop; draft; revise using appropriate reference materials; rewrite; try a new approach, focusing on addressing what is most significant for a specific purpose and audience; and edit to produce and strengthen writing that is clear and coherent.
6-8.LH.6.2: Use technology to produce and publish writing and present the relationships between information and ideas clearly and efficiently.	9-10.LH.6.2: Use technology to produce, publish, and update individual or shared writing products, taking advantage of technology's capacity to link to other information and to display information flexibly and dynamically.	11-12.LH.6.2: Use technology to produce, publish, and update individual or shared writing products in response to ongoing feedback, including new arguments or information.

LH.7: THE RESEARCH PROCESS (WRITING)

Build knowledge about the research process and the topic under study by conducting short or more sustained research

GRADES 6-8	GRADES 9-10	GRADES 11-12
6-8.LH.7.1: Conduct short research assignments and tasks to answer a question (including a self-generated question), drawing on several sources and generating additional related, focused questions that allow for multiple avenues of exploration.	9-10.LH.7.1: Conduct short as well as more sustained research assignments and tasks to answer a question (including a self-generated question) or solve a problem; narrow or broaden the inquiry when appropriate; synthesize multiple sources on the subject, demonstrating understanding of the subject under investigation.	11-12.LH.7.1: Conduct short as well as more sustained research assignments and tasks to answer a question (including a self-generated question) or solve a problem; narrow or broaden the inquiry when appropriate; synthesize multiple sources on the subject, demonstrating understanding of the subject under investigation.
6-8.LH.7.2: Gather relevant information from multiple sources, using search terms effectively; annotate sources; assess the credibility and accuracy of each source; and quote or paraphrase the data and conclusions of others while avoiding plagiarism and following a standard format for citation (e.g., <i>APA</i> or <i>Chicago</i>).	9-10.LH.7.2: Gather relevant information from multiple authoritative sources, using advanced searches effectively; annotate sources; assess the usefulness of each source in answering the research question; synthesize and integrate information into the text selectivity to maintain the flow of ideas, avoiding plagiarism and following a standard format for citation (e.g., <i>APA</i> or <i>Chicago</i>).	11-12.LH.7.2: Gather relevant information from multiple types of authoritative sources, using advanced searches effectively; annotate sources; assess the strengths and limitations of each source in terms of the specific task, purpose, and audience; synthesize and integrate information into the text selectivity to maintain the flow of ideas, avoiding plagiarism and overreliance on any once source and following a standard format for citation (e.g., <i>APA</i> or <i>Chicago</i>).
6-8.LH.7.3: Draw evidence from informational texts to support analysis, reflection, and research.	9-10.LH.7.3: Draw evidence from informational texts to support analysis, reflection, and research.	11-12.LH.7.3: Draw evidence from informational texts to support analysis, reflection, and research.