

Economic Essential Questions (Course Outline)

Unit 1: Introduction to Economics

- What is economics?
- What are the four factors of production?
- What is the difference between needs and wants?
- Why is scarcity an economics problem that every country faces?
- What are the basic economic systems?
- What were the beliefs of Adam Smith and Karl Marx?
- Why is the United States considered a mixed economy?
- What is illustrated in the circular flow model?

Unit 2: Investing and Personal Finance

- What is a stock? How does it impact the economy?
- Why do people invest in the stock market?
- How does risk/reward impact your investment choices?
- How does age influence your investments?
- What are the different forms of business organizations?

Unit 3: Demand and Supply

- What determines demand?
- What causes shifts in the demand curve?
- What are substitute and complimentary goods?
- What determines supply?
- What causes shifts in the supply curve?
- How do demand & supply work together to create an equilibrium?
- How do the laws of supply and demand determine price & production?

Unit 4: The Global Economy

- What is Globalization?
- Why do countries trade with one another?
- What is comparative and absolute advantage?
- What are the advantages and disadvantages to globalization?

- What has happened to the strength of labor unions in the US?
- What are the different market structures that exist?
- Why is competition good for the global economy?

Unit 5: GDP and the Business Cycle

- What does the Gross Domestic Product (GDP) measure?
- What are the four different components of GDP?
- What is the difference between Real and Nominal GDP?
- What does the GDP Deflator measure?
- What determines your purchasing power?
- What are the requirements to be counted in the labor force?
- What are the different types of unemployment?
- What is inflation and why is it a problem?
- What is the Business Cycle and what happens in each part?

Unit 6: Money, Taxes and the FED

- Why are taxes a necessity to our government?
- What programs are funded by state & federal governments?
- What is the difference between public and merit goods?
- What is the purpose of the federal budget?
- What are some negative effects of the federal deficit?
- What makes up the largest component of spending for federal and state budgets?
- What is the difference between progressive and regressive taxes?
- What are the major functions of money?
- What are the major functions of the Federal Reserve?
- How does the Federal Reserve System use interest rates to influence the economy?
- What are monetary and fiscal policies and how do they work to help the economy?