



Indiana Department of Education

Dr. Katie Jenner, Secretary of Education

**Indiana Academic Standards
Resource Guide:
Economics
Updated October 2021**

**Indiana Department of Education
College and Career Readiness Curriculum**

APPENDIX A – TEACHER RESOURCE GUIDE

ECONOMICS

This Teacher Resource Guide has been developed to provide supporting materials to help educators successfully implement the social studies standards. These resources are provided to help you in your work to ensure all students meet the rigorous learning expectations set by the Academic Standards. Use of these resources is optional – teachers should decide which resource will work best in their school for their students.

This resource document is a living document and will be frequently updated. Please send any suggested links and report broken links to:

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GOOD ECONOMICS WEBSITES:

[Council for Economic Education](#)

[Indiana Council for Economic Education](#)

[econedlink](#)

[Global Indiana: A Consortium for International Exchange](#)

[High School Economics Topics](#)

Standard 1: Scarcity and Economic Reasoning

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.

econedlink: [HENRY FORD AND THE MODEL T: A CASE STUDY IN PRODUCTIVITY](#)

Khan Academy: [CIRCULAR FLOW OF INCOME AND EXPENDITURES](#)

E.1.2 Explain that entrepreneurs combine productive resources to produce goods and services with the goal of making a profit.

econedlink: [MARKETPLACE: ECONOMY OF ARCHITECTURE](#)

Investopedia: [WHAT IS AN ENTREPRENEUR?](#)

E.1.3 Identify incentives and explain how they influence economic behavior and decision-making.

econedlink: [POP GOES THE HOUSING BUBBLE](#)

Khan Academy: [TRAGEDY OF THE COMMONS](#)

- E.1.4** Explain that voluntary exchange occurs when households, businesses, and governments expect to gain.
econedlink: [THE TRADING GAME](#)
Khan Academy: [Comparative advantage specialization and gains from trade](#)
- E.1.5** Define scarcity and explain how choices incur opportunity costs and trade-offs.
econedlink: [IT'S A MATTER OF POWER](#)
The Economics Classroom: [SCARCITY, OPPORTUNITY COST AND THE PRODUCTION POSSIBILITIES CURVE](#)
- E.1.6** Use a production possibilities curve to explain the concepts of choice, scarcity, opportunity cost, trade offs, unemployment, productivity, and growth.
econedlink: [PRODUCTION POSSIBILITIES CURVE](#)
The Economics Classroom: [SCARCITY, OPPORTUNITY COST AND THE PRODUCTION POSSIBILITIES CURVE](#)
- E.1.7** Describe and compare the various economic systems (traditional, market, command, mixed); explain their strengths and weaknesses.
econedlink: [COMPARATIVE ECONOMIC SYSTEMS](#)
South-Western Publishing: [Comparative Economic Systems](#) (Slide Show)
- E.1.8** Describe how clearly defined and enforced property rights are essential to a market economy.
econedlink: [ONLINE MAYHEM I: METALLICA VERSUS NAPSTER](#)
The Economics Classroom: [THE TRAGEDY OF THE COMMONS AS A MARKET FAILURE](#)
- E.1.9** Illustrate how investment in physical and human capital raise productivity and future standards of living.
- E.1.10** Diagram and explain the circular flow of a market economy
econedlink: [TO BUY OR NOT TO BUY](#)
The Economics Classroom: [THE CIRCULAR FLOW MODEL OF A MARKET ECONOMY](#)
<http://www.econclassroom.com/?p=4397>

Standard 2: Supply and Demand

- E.2.1** Define supply and demand and explain the causes of the Law of Supply and the Law of Demand.
econedlink: [UTILITY](#)
econedlink: [IS THE PRICE OF GASOLINE REALLY TOO HIGH?](#)
The Economics Classroom: [THE LAW OF DEMAND](#)
Khan Academy: [LAW OF SUPPLY](#)
- E.2.2** Recognize that consumers ultimately determine what is produced in a market economy.
econedlink: [MAD CATTLEMEN SUE OPRAH](#)
GrowThink: [10 Famous Product Failures and the Advertisements That Did Not Sell Them](#)
- E.2.3** Illustrate how supply and demand determine equilibrium price and quantity.
econedlink: [I'LL TRADE YOU A BAG OF CHIPS, TWO COOKIES, AND \\$60,000 FOR YOUR TUNA FISH SANDWICH](#)
The Economics Classroom: [EFFICIENCY AND EQUILIBRIUM IN COMPETITIVE MARKETS](#)
- 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.
econedlink: [ECONOMICS IN THE HEADLINES](#)
econedlink: [HENRY FORD AND THE MODEL T: A CASE STUDY IN PRODUCTIVITY \(PART 3\)](#)

The Economics Classroom: [SUPPLY, DEMAND AND EQUILIBRIUM TEST – WORKED SOLUTIONS](#)

The Economics Classroom: [THE DETERMINANTS OF DEMAND](#)

E.2.5 Describe how price elasticity of supply and price elasticity of demand send signals to buyers and sellers.

econedlink: [PRICE ELASTICITY: FROM TIRES TO TOOTHPICKS](#)

The Economics Classroom: [PRICE ELASTICITY OF DEMAND AND THE TOTAL REVENUE TEST](#)

E.2.6 Demonstrate how government wage and price controls, such as rent controls and minimum wage laws, create shortages and surpluses.

econedlink: [MARKETPLACE: PRICE INCREASE OR PRICE-GOUGING?](#)

Khan Academy: [Minimum Wage and Price Floors](#)

E.2.7 Describe how the earnings of workers are determined by a number of factors including the market value of the product produced, workers' productivity, the amount of human capital held by workers, collective bargaining, and discrimination.

econedlink: [WAGES AND ME](#)

Bureau of Labor Statistics: [Occupational Employment Statistics](#)

Standard 3: Market Structures

E. 3.1 Explain the advantages and disadvantages of various types of firms including sole proprietorships, partnerships, and corporations.

Legalzoom: [Differences Between Sole Proprietorship, Partnership & Corporation](#)

E.3.2 Identify the ways that firms raise financial capital.

econedlink: [THE FIVE STAGES OF INVESTING](#)

Khan Academy: [BONDS VS. STOCKS](#)

E.3.3 Demonstrate how firms determine optimum levels of output by comparing marginal cost and marginal revenue.

Khan Academy: [MARGINAL REVENUE AND MARGINAL COST](#)

The Economics Classroom: [DEMAND, MARGINAL REVENUE AND PROFIT MAXIMIZATION FOR A PERFECT COMPETITOR](#)

E.3.4 Compare and contrast the basic characteristics of the four market structures: monopoly, oligopoly, monopolistic competition, and pure competition.

econedlink: [AIRLINE MERGERS, SOFTWARE INDUSTRY MONOPOLIES: CONTESTABLE MARKETS?](#)

<http://www.econedlink.org/lessons/index.php?lid=22&type=educator>The Economics Classroom: [DETERMINING THE EFFICIENCY OF FIRMS IN DIFFERENT MARKET STRUCTURES](#)

E. 3.5 Explain how competition in markets affects price and quantity.

Khan Academy: [Perfect competition and why it matters](#)

E.3.6 Explain why natural monopolies (economies of scale) and the purposes of government regulation of these monopolies.

econedlink: [WHAT HAPPENED TO RAILROADS?](#)

The Economics Classroom: [NATURAL MONOPOLY AND THE NEED FOR GOVERNMENT REGULATION](#)

Standard 4 : The Role of Government

E.4.1 Explain how market failures may result in the underproduction of public goods and explain the role of government in addressing those failures.

econedlink: [CONSTITUTION COSTS](#)

E.4.2 Explain how markets under produce public goods and explain why the government has an interest in producing these public goods.

econedlink: [THE MYSTERY OF IST IT MINE OR YOURS?](#)

econedlink: [FREE RIDE](#)

E.4.3 Describe how the government taxes negative externalities (spillovers) and subsidizes positive externalities (spillovers) to resolve the inefficiencies they cause.

econedlink: [NEW SENSE, INC. VS. FISH 'TILL U DROP OR COASE VS. PIGOU](#)

The Economics Classroom: [NEGATIVE EXTERNALITIES OF CONSUMPTION](#)

E.4.4 Describe the major revenue and expenditure categories in state and federal budgets and their respective proportions, and the challenges of achieving a balanced budget.

econedlink: [WHAT DO YOU GET FOR YOUR \\$1,818,600,000,000?](#)

E.4.5 Determine whether different types of taxes (including income, sales, and FICA (including Social Security and Medicare) are progressive, proportional, or regressive.

Economentor: [Define Progressive, Regressive and Proportional taxes](#)

Khan Academy: [TAX BRACKETS AND PROGRESSIVE TAXATION](#)

E.4.6 Explain that government failure occurs when the costs of a policy exceeds its benefits because social or political goals (rather than economic efficiency) are being pursued.

econedlink: [WHO KNOWS WHAT INEFFICIENCIES LURK IN THE HEARTS OF RENT CONTROLLED HOUSING MARKETS? THE SHADOW MARKET KNOWS!](#)

AS & A2 Economics: [GOVERNMENT FAILURE – INTRODUCTION](#)

E.4.7 Define budget debt and budget deficit and distinguish between the two. Explain the effects of both on the economy.

econedlink: [NATIONAL BUDGET SIMULATION](#)

Standard 5: National Economic Performance

E.5.1 Explain measures of a country's economic performance such as gross domestic product (GDP), unemployment, and inflation.

econedlink: [HOW IS OUR ECONOMY DOING?](#)

The Economics Classroom: [THE INCOME APPROACH AND THE EXPENDITURE APPROACH TO MEASURING THE GDP OF A NATION](#)

The Economics Classroom: [MEASURING THE MACROECONOMIC OBJECTIVES: ECONOMIC GROWTH, 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.

econedlink: [ECONOMIC INDICATORS](#)

Khan Academy: [COMPONENTS OF GDP](#)

E.5.3 Explain the limitations of using GDP to measure economic welfare.

C-SPAN CLASSROOM: [Is GDP an Accurate Measure of our Country's Economic Health?](#)

The Economics Classroom: [UPDATED: REAL VERSUS NOMINAL GDP AND THE GDP DEFLATOR](#)

E.5.4 Identify the different causes of inflation (including cost-push and demand-pull) and explain the impact of inflation on economic decisions.

econedlink: [WHAT CAUSES INFLATION?](#)

Khan Academy: [Introduction to Inflation](#)

E.5.5 Explain and illustrate the impact of changes in aggregate supply and aggregate demand.

econedlink: : [FISCAL AND MONETARY POLICY PROCESS](#)

The Economics Classroom: [AN INTRODUCTION TO AGGREGATE DEMAND](#)

The Economics Classroom: [AN INTRODUCTION TO AGGREGATE SUPPLY – FROM SHORT-RUN TO LONG-RUN](#)

E.5.6 Explain the causes and effects of business cycles in a market economy.

The Economics Classroom: [THE BUSINESS CYCLE – ILLUSTRATING THE ECONOMY'S BOOMS AND BUSTS](#)

E.5.7 Explain frictional, structural, cyclical, and seasonal unemployment and analyze the impact of unemployment

econedlink: [UNEMPLOYMENT IN MY HOMETOWN](#)

E.5.8 Describe how individuals and organizations try to protect themselves from the impact of unexpected inflation.

econedlink: [PHILLIPS CURVE](#)

The Economics Classroom: [THE SHORT-RUN PHILLIPS CURVE](#)

Standard 6: Money and the Role of Financial Institutions

E.6.1 Explain the basic functions of money.

econedlink: [ONE IS SILVER AND THE OTHER'S GOLD](#)

E.6.2 Identify the composition of the money supply of the United States.

econedlink: [YOU CAN BANK ON THIS! \(PART 1\)](#) (elementary-level, but it covers the standard)

Khan Academy: [MONEY SUPPLY: M0, M1, AND M2](#)

E.6.3 Explain the role financial institutions play among savers, borrowers, and investors.

econedlink: [BANKS & CREDIT UNIONS \(PART 1\)](#)

Khan Academy: [BANKING 1](#)

E.6.4 Demonstrate how banks create money through the principle of fractional reserve banking.

econedlink: [MULTIPLIERS AND THE MYSTERY OF THE MAGIC MONEY](#)

The Economics Classroom: [MONEY CREATION IN A FRACTIONAL RESERVE BANKING SYSTEM](#)

E.6.5 Describe the structure and functions of the Federal Reserve System.

econedlink: [WHO IS BEN BERNANKE?](#)

Federal Reserve Education: [THE STRUCTURE OF THE FEDERAL RESERVE SYSTEM](#)

E.6.6 Explain how interest rates act as an incentive for savers and borrowers.

econedlink: [TIME VALUE OF MONEY](#)

Khan Academy: [INTEREST AS RENT FOR MONEY](#)

E.6.7 Compare and contrast different types of financial investments.

econedlink: [THE FIVE STAGES OF INVESTING](#)

Khan Academy: [BONDS VS. STOCKS](#)

E.6.8 Demonstrate how supply and demand determine equilibrium price and quantity in the financial markets.

econedlink: [HERE'S YOUR CHANCE TO MAKE MILLIONS IN THE STOCK MARKET \(PART 2\)](#)

The Economics Classroom: [INTRODUCTION TO THE MONEY MARKET](#)

Standard 7: Economic Stabilization

E.7.1 Define and explain fiscal and monetary policy.

econedlink: [FISCAL AND MONETARY POLICY PROCESS](#)

The Economics Classroom: [INTRODUCTION TO FISCAL POLICY – EXPANSIONARY VS. CONTRACTIONARY POLICIES](#)

The Economics Classroom: [THE TOOLS OF MONETARY POLICY](#)

E.7.2 Explain the tools of fiscal and monetary policy.

econedlink: [FISCAL AND MONETARY POLICY PROCESS](#)

The Economics Classroom: [INTRODUCTION TO FISCAL POLICY – EXPANSIONARY VS. CONTRACTIONARY POLICIES](#)

The Economics Classroom: [THE TOOLS OF MONETARY POLICY](#)

E.7.3 Analyze how the government uses fiscal policy to promote price stability, full employment, and economic growth.

econedlink: [FISCAL AND MONETARY POLICY PROCESS](#)

The Economics Classroom: [INTRODUCTION TO FISCAL POLICY – EXPANSIONARY VS. CONTRACTIONARY POLICIES](#)

E.7.4 Explain how the use of fiscal policy affects budget deficits or surpluses and the national debt.

Education Portal: [WHAT IS FISCAL POLICY? – DEFINITION, EFFECTS & EXAMPLE](#)

Khan Academy: [GOVERNMENT'S FINANCIAL CONDITION](#)

E.7.5 Analyze how the Federal Reserve uses monetary policy to promote price stability, full employment, and economic growth.

econedlink: [FISCAL AND MONETARY POLICY PROCESS](#)

The Economics Classroom: [THE TOOLS OF MONETARY POLICY](#)

E.7.6 Compare and contrast the major macroeconomic theories such as Keynesian, Neoclassical, and Monetarist and evaluate how they influence fiscal and monetary policy.

Khan Academy: [KEYNESIAN ECONOMICS](#) (Classical and Keynesian)

The Economics Classroom: [INTRODUCTION TO SUPPLY-SIDE POLICIES](#)

Standard 8: Trade

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.

econedlink: [SHOULD LEBRON JAMES MOW HIS OWN LAWN?](#)

Khan Academy: [COMPARATIVE ADVANTAGE, SPECIALIZATION AND GAINS FROM TRADE](#)

E.8.2 Explain the benefits of trade among households and countries.

Econedlink: [THE TRADING GAME](#)

E.8.3 Explain the difference between balance of trade and balance of payments.

Econedlink: [BALANCE OF PAYMENTS \(BOP\)](#)

The Economics Classroom: [BALANCE OF PAYMENTS AND EXCHANGE RATES – AP FREE RESPONSE QUESTIONS](#)

E.8.4 Define and explain the impact of trade barriers, such as quotas and tariffs, and analyze why countries erect them.

Econedlink: [U.S. FARMERS AND THE CUBAN EMBARGO](#)

The Economics Classroom: [PROTECTIONIST TARIFFS](#)

E.8.5 Compare and contrast the arguments for and against free trade.

Tutor 2 U: [PROTECTIONISM](#)

Indiana in the World: [GLOBAL ECONOMY: THE HOMETOWN EFFECT](#)

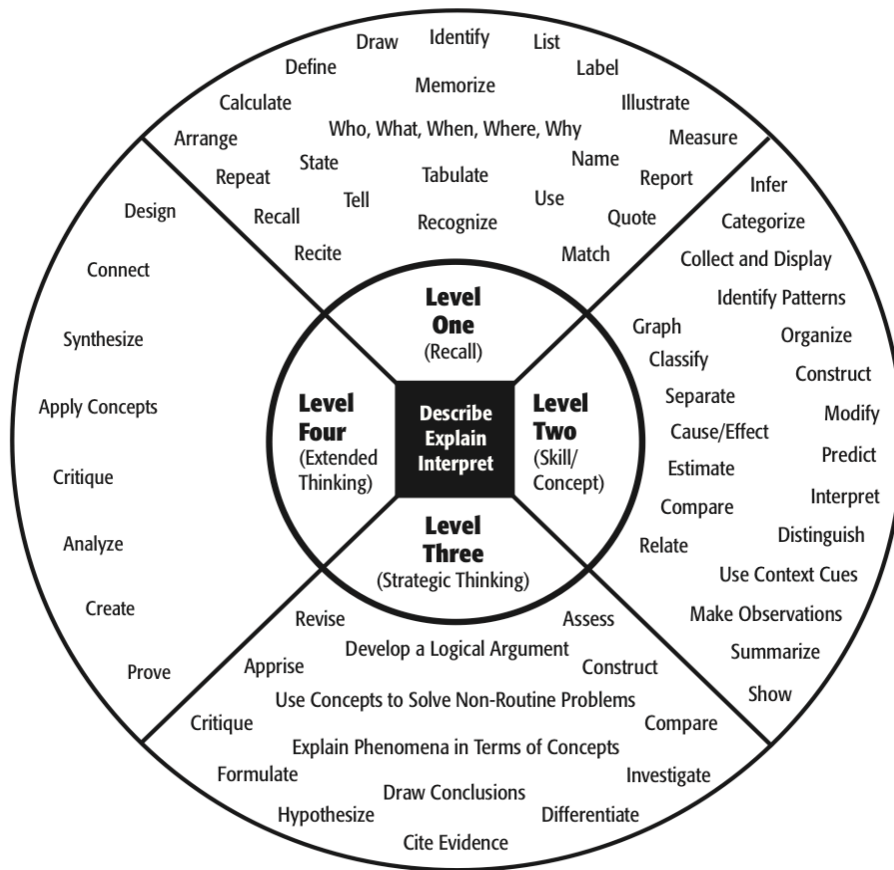
E.8.6 Explain how changes in exchange rates affects the value of imports and exports.

Econedlink: [EXCHANGE RATES AND EXCHANGE: HOW MONEY AFFECTS TRADE](#)

The Economics Classroom: [INTRODUCTION TO THE FOREIGN EXCHANGE MARKET AND EXCHANGE RATE DETERMINATION](#)

The Economics Classroom: [THE RELATIONSHIP BETWEEN THE CURRENT ACCOUNT BALANCE AND EXCHANGE RATES](#)

Depth of Knowledge (DOK) Levels



Level One Activities	Level Two Activities	Level Three Activities	Level Four Activities
<p>Recall elements and details of story structure, such as sequence of events, character, plot and setting.</p> <p>Conduct basic mathematical calculations.</p> <p>Label locations on a map.</p> <p>Represent in words or diagrams a scientific concept or relationship.</p> <p>Perform routine procedures like measuring length or using punctuation marks correctly.</p> <p>Describe the features of a place or people.</p>	<p>Identify and summarize the major events in a narrative.</p> <p>Use context cues to identify the meaning of unfamiliar words.</p> <p>Solve routine multiple-step problems.</p> <p>Describe the cause/effect of a particular event.</p> <p>Identify patterns in events or behavior.</p> <p>Formulate a routine problem given data and conditions.</p> <p>Organize, represent and interpret data.</p>	<p>Support ideas with details and examples.</p> <p>Use voice appropriate to the purpose and audience.</p> <p>Identify research questions and design investigations for a scientific problem.</p> <p>Develop a scientific model for a complex situation.</p> <p>Determine the author's purpose and describe how it affects the interpretation of a reading selection.</p> <p>Apply a concept in other contexts.</p>	<p>Conduct a project that requires specifying a problem, designing and conducting an experiment, analyzing its data, and reporting results/solutions.</p> <p>Apply mathematical model to illuminate a problem or situation.</p> <p>Analyze and synthesize information from multiple sources.</p> <p>Describe and illustrate how common themes are found across texts from different cultures.</p> <p>Design a mathematical model to inform and solve a practical or abstract situation.</p>

Webb, Norman L. and others. "Web Alignment Tool" 24 July 2005. Wisconsin Center of Educational Research. University of Wisconsin-Madison. 2 Feb. 2006. <<http://www.wcer.wisc.edu/WAT/index.aspx>>.