

Essential Standard:

- CE.E.1 Understand economies, markets and the role economic factors play in making economic decisions.
 - Concept(s): Economy, Markets, Production, Resources, Scarcity, Economic Systems

CE.E.1.1 Compare how individuals and governments utilize scarce resources (human, natural and capital) in traditional, command, market and mixed economies.**Students will understand:**

1. Because there are not enough resources to satisfy everyone's needs and wants societies must determine how to use limited resources.
2. The manner in which limited resources are allocated is often controlled by the type of market a nation or group operates within.
3. Scarcity forces people to make choices about how to allocate resources to benefit nations, communities, and groups.
4. Scarcity and the necessity of balancing scarcity and unlimited wants may determine production, consumption and economic choices.

Students will know:

1. Scarcity is a basic economic problem.
2. The three significant economic resources (natural, human and
3. The types of things that are considered scarce resources.
4. Examples of ways in which individuals and governments use or manage scarce resources in various types of markets.
5. Examples of how nations, groups and communities seek to resolve the problems of scarcity and markets.
6. An economic system is a set of rules that people must consider when dealing with issues of scarcity and resources.
7. Examples of how opportunity costs relate to scarcity.
8. How to identify an opportunity cost.
9. How to predict how an individual or state will act based on the incentives they are given.
10. The drawbacks and benefits of different economic systems (traditional, market, command, mixed)
11. How to place the economic systems on a continuum showing level of economic freedom.

Key Terminology:

- Economic factors – The basic elements affecting financial matters such as labor, interest rates, government policy, management and taxation.
- Factors of production - An economic term to describe the inputs that are used in the production of goods or services in the attempt to make an economic profit. The factors of production include land, labor, capital and entrepreneurship.
- Economic system - An organized way in which a state or nation allocates its resources and apportions goods and services in the national community