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correlated to

Alabama
Course of Study
Twelfth Grade Economics

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ECONOMICS: PRINCIPLES AND PRACTICES ©2005**

CORRELATED TO

**ALABAMA COURSE OF STUDY
TWELFTH GRADE ECONOMICS**

COMPETENCY	PAGE REFERENCES
Students will:	
1. Explain the role of scarcity in answering the basic economic questions of what, how, how much, and for whom to produce.	
<ul style="list-style-type: none"> • Identifying the positive and negative aspects of economic growth 	SE: 15, 22, 43, 44, 362, 363, 365, 366, 367, 368 TWE: 15, 22, 43, 44, 362, 363, 365, 366, 367, 368
<ul style="list-style-type: none"> • Explaining how voluntary trade between nations illustrates the benefits of comparative advantage 	SE: 469, 470 TWE: 469, 470
<ul style="list-style-type: none"> • Identifying how factors of production and the circular flow of goods and services meet market needs 	SE: 7, 8, 9, 10, 372, 373, 550 TWE: 7, 8, 9, 10, 372, 373, 550
2. Compare the development and characteristics of the world's traditional, command, and market economies.	
<ul style="list-style-type: none"> • Identifying contributors to modern economics 	SE: 18, 141, 204, 266, 381, 500, 527, 551 TWE: 18, 141, 204, 266, 381, 500, 527, 551
<ul style="list-style-type: none"> • Describing the struggle experienced by economies in transition from one type of economic system to another 	The opportunity to address this objective is available. See the following: SE: 34, 35, 36, 37, 38, 39, 496–499, 501–507 TWE: 34, 35, 36, 37, 38, 39, 496–499, 501–507
<ul style="list-style-type: none"> • Explaining how the desire for growth potential, labor supplies, product supplies, and adaptive capability influence a country's choice of economic system 	SE: 33, 34, 35, 36, 37, 38, 39, 491, 492, 493, 494 TWE: 33, 34, 35, 36, 37, 38, 39, 491, 492, 493, 494

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COMPETENCY	PAGE REFERENCES
<ul style="list-style-type: none"> • Comparing the costs and benefits of economic growth 	SE: 15, 22, 43, 44, 362, 363, 365, 366, 367, 368 TWE: 15, 22, 43, 44, 362, 363, 365, 366, 367, 368
<ul style="list-style-type: none"> • Explaining why the characteristics of a market economy result in a thriving economy 	SE: 36, 37, 38, 560 TWE: 36, 37, 38, 560
<ul style="list-style-type: none"> • Contrasting economic systems of various countries with the market system of the United States 	SE: 38, 493, 494, 498, 499, 509, 510, 511, 512, 513, 514 TWE: 38, 493, 494, 498, 499, 509, 510, 511, 512, 513, 514
3. Analyze graphs to determine changes in supply and demand and their effect on equilibrium price and quality.	
<ul style="list-style-type: none"> • Illustrating how changes in the determinants of supply and demand affect the supply and demand for products in the market 	SE: 89, 90–93, 95, 96, 97, 98, 99, 101, 102, 104–107, 116–120 TWE: 89, 90–93, 95, 96, 97, 98, 99, 101, 102, 104–107, 116–120
<ul style="list-style-type: none"> • Explaining the impact of government-imposed price ceilings and floors on the market demand for a product 	SE: 151, 152 TWE: 151, 152
4. Explain the impact of the labor market on the market economy of the United States.	
<ul style="list-style-type: none"> • Identifying regional characteristics of the labor force of the United States 	SE: 209 TWE: 209
<ul style="list-style-type: none"> • Explaining how supply and demand for labor affect wages 	SE: 207, 208, 455 TWE: 207, 208, 455

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<ul style="list-style-type: none"> Describing characteristics that are most likely to increase wages and nonwage benefits 	SE: 207, 208 TWE: 207, 208
5. Explain the competitive nature of the market system.	
<ul style="list-style-type: none"> Comparing the structures of sole proprietorships, partnerships, corporations, and cooperatives 	SE: 57, 58, 59, 60, 61, 62, 63, 64, 65 TWE: 57, 58, 59, 60, 61, 62, 63, 64, 65
<ul style="list-style-type: none"> Describing how market exchange serves as a means of economic planning for producers 	SE: 36, 37, 47 TWE: 36, 37, 47
<ul style="list-style-type: none"> Describing costs and benefits of entrepreneurial decisions 	SE: 24, 48, 49, 58, 59, 61, 62, 64, 65 TWE: 24, 48, 49, 58, 59, 61, 62, 64, 65
<ul style="list-style-type: none"> Describing the structure and functions of financial markets, including the stock market and the bond market 	SE: 313, 314, 315, 316, 318, 319, 320, 321, 322–326, 329–333 TWE: 313, 314, 315, 316, 318, 319, 320, 321, 322–326, 329–333
6. Explain the costs and benefits of government intervention in the economy of the United States.	
<ul style="list-style-type: none"> Identifying economic goals for the economy of the United States 	The opportunity to address this objective is available. See the following: SE: 41, 42, 43, 44, 51, 363, 365, 367, 368, 382 TWE: 41, 42, 43, 44, 51, 363, 365, 367, 368, 382
<ul style="list-style-type: none"> Tracing the impact of government regulations on business and labor relations 	SE: 51, 66, 178, 181, 182, 183, 194, 195, 196, 197 TWE: 51, 66, 178, 181, 182, 183, 194, 195, 196, 197

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<ul style="list-style-type: none"> Explaining conditions under which government intervention may be chosen 	SE: 50, 51, 66, 179, 180, 181, 182, 183, 203 TWE: 50, 51, 66, 179, 180, 181, 182, 183, 203
<ul style="list-style-type: none"> Comparing principles and systems of taxation at national, state, and local levels 	SE: 226, 227, 228, 229, 231, 232, 233, 234, 235, 236, 238–242 TWE: 226, 227, 228, 229, 231, 232, 233, 234, 235, 236, 238–242
<ul style="list-style-type: none"> Predicting the effect of public policy decisions on the individual 	The opportunity to address this objective is available. See the following: SE: 188–189, 210, 282, 283, 480 TWE: 188–189, 210, 282, 283, 480
<ul style="list-style-type: none"> Explaining costs and benefits of running a deficit and large national debt in an economy 	SE: 272, 273, 274, 275, 276, 277, 278 TWE: 272, 273, 274, 275, 276, 277, 278
<ul style="list-style-type: none"> Describing the effect of the patent system of the United States on the number of inventions produced by American inventors 	SE: 170 TWE: 170
7. Describe methods by which the United States measures domestic output, national income, and price level.	
<ul style="list-style-type: none"> Identifying the contribution of final goods and services to the computation of the GDP 	SE: 342, 343, 344 TWE: 342, 343, 344
<ul style="list-style-type: none"> Comparing data from various regions of the United States and other national economies 	SE: 522, 523, 524, 525 TWE: 522, 523, 524, 525
<ul style="list-style-type: none"> Describing the function and construction of the CPI 	SE: 352, 389 TWE: 352, 389

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8. Describe the effect of fluctuations in national output and its relationship to the causes and costs of unemployment and inflation.	
<ul style="list-style-type: none"> • Identifying factors involved in the business cycle 	SE: 378, 379 TWE: 378, 379
<ul style="list-style-type: none"> • Contrasting monetary, cost-push and demand-pull inflation 	SE: 391 TWE: 391
<ul style="list-style-type: none"> • Contrasting frictional, structural, seasonal, and cyclical unemployment 	SE: 384, 385, 386 TWE: 384, 385, 386
<ul style="list-style-type: none"> • Describing components of the unemployment statistic as defined by the Bureau of Labor Statistics 	SE: 382, 383 TWE: 382, 383
<ul style="list-style-type: none"> • Identifying reasons for regional differences in unemployment statistics 	SE: 385, 386 TWE: 385, 386
<ul style="list-style-type: none"> • Discussing the pros and cons of government policies affecting unemployment and underemployment 	SE: 226, 449, 454 TWE: 226, 449, 454
<ul style="list-style-type: none"> • Comparing causes for unemployment in Alabama to those of the nation 	The opportunity to address this objective is available. See the following: SE: 384, 385, 386 TWE: 384, 385, 386

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9. Describe economic stabilization policies of the United States.	
<ul style="list-style-type: none"> • Explaining how the levels of taxes, government spending, and interest rates affect consumer consumption and saving 	SE: 181, 223, 224, 225, 419, 429 TWE: 181, 223, 224, 225, 419, 429
<ul style="list-style-type: none"> • Explaining fiscal policy options for manipulating levels of output and inflation 	SE: 447, 448, 449, 450, 451, 452, 453, 454, 456, 457, 458, 459 TWE: 447, 448, 449, 450, 451, 452, 453, 454, 456, 457, 458, 459
10. Explain the role of money and the structure of the banking system of the United States.	
<ul style="list-style-type: none"> • Contrasting the effectiveness of bartering and money exchange in an economic system 	SE: 285, 286, 288, 377 TWE: 285, 286, 288, 377
<ul style="list-style-type: none"> • Explaining the creation of money through the multiplier effect 	The opportunity to address this objective is available. See the following: SE: 292–298, 448 TWE: 292–298, 448
<ul style="list-style-type: none"> • Explaining the function of federally funded insurance programs in protecting consumers' savings 	SE: 301, 302 TWE: 301, 302
11. Explain the past and present impact of the Federal Reserve on the economy of the United States.	
<ul style="list-style-type: none"> • Describing the structure and monetary policies of the Federal Reserve 	SE: 407, 408, 409, 410, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424 TWE: 407, 408, 409, 410, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424
<ul style="list-style-type: none"> • Describing tools available to the Federal Reserve to stabilize the economy 	SE: 419, 420, 421, 422, 423, 424 TWE: 419, 420, 421, 422, 423, 424

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<ul style="list-style-type: none"> • Identifying primary responsibilities of the Federal Reserve 	SE: 410, 411, 413, 415 TWE: 410, 411, 413, 415
12. Explain the basic elements of international trade.	
<ul style="list-style-type: none"> • Analyzing the impact of developing nations on the global economy 	SE: 521, 522, 524, 525, 526, 530, 531 TWE: 521, 522, 524, 525, 526, 530, 531
<ul style="list-style-type: none"> • Analyzing the impact of the trade deficit on the economy of the United States 	SE: 484, 485 TWE: 484, 485
<ul style="list-style-type: none"> • Explaining how trading according to the Law of Comparative Advantage benefits both poor and wealthy trading nations 	SE: 469, 470, 521 TWE: 469, 470, 521
<ul style="list-style-type: none"> • Analyzing the impact of trade policy on international trade 	SE: 472, 473, 474, 475, 476, 477, 478, 479 TWE: 472, 473, 474, 475, 476, 477, 478, 479
<ul style="list-style-type: none"> • Describing political and economic alliances 	SE: 476, 477, 478, 479, 535, 536 TWE: 476, 477, 478, 479, 535, 536

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