



Social Science Adoption Committee: World History/World Geography, American and Arizona History, AP Human Geography, AP United States History, AP World History: Modern

Additional Resources for January 15, 2025 meeting

Additional Resources for:

Agenda Item 6. Curricular Material Rubric Review and Adjustment

Document 1: Textbook Adoption Review Rubric

Document 2: Vendor Criteria

Agenda Item 7: Calibration Activity

Document 3: Sample Material from Economics: Principles and Practices Textbook



2024-2025 SUSD Textbook Adoption Review Rubric

Course Title: _____

Your Role (Teacher/Admin/Parent) _____

Publisher/Author: _____ Member ID # _____

Text Name: _____

Accuracy and Alignment to Standards Depth of Knowledge	None	Some	All	Comments
Text is designed for AP and/or Arizona State Social Science Standards (For example: see TE acknowledgment page)	0	1	2	
Aligned to standards, scope & sequence, and disciplinary practices of the AP course and/or Arizona State Social Science Standards (For example: In TE alignment seen in the table of contents/chapter openings)	0	1	2	
Pedagogy fosters culturally responsive teaching (For example: Activate students' prior knowledge, many & varied resources & view points, open-ended student responses, personal and cultural expression & helps build community)	0	1	2	
Appropriate Depth of Knowledge to prepare students for high stakes assessment and performance-based tasks (For example: students must demonstrate Level 3 strategic thinking such as, Critique & Draw Conclusions & Level 4 such as, Analysis & Synthesis - project based learning or authentic assessment such as simulations or discussions, and expectations of the AP exam)	0	1	2	
Supports essential questions, understanding, and objectives (For example: overarching or topical questions that guide the lesson found in the TE/Student Edition in student friendly language and reinforced throughout the unit)	0	1	2	

2024-2025 SUSD
Textbook Adoption Review Rubric



Curriculum is accurate & current with supporting evidence. <i>(For example: dates, events, people, places, visuals are up to date)</i>	0	1	2	
Alignment to Standards Depth of Knowledge Subtotal: _____/12				

Ease of Use and Support	None	Some	All	Comments
The resource layout and organization contribute to ease of use for teachers, students, and parents. <i>(For example: TE/Student edition should be easy to navigate and aligns with course pacing)</i>	0	1	2	
The resource has multiple formats: hard-copy, digital and ancillaries consist of primary & secondary sources, professional articles, & media. <i>(For example: digital and hard copies of all materials including supplemental test-prep materials and companion text resources)</i>	0	1	2	
The resource has digital tools for collaboration and remote sharing opportunities. <i>(For example: Learning Management System - Google Classroom, Canvas, Schoology)</i>	0	1	2	
The teacher edition provides options for methods of instruction and choice for differentiated learning. <i>(For example: In TE margins for teaching strategies and ways of supporting different learners).</i>	0	1	2	
The resource is fully supported by the vendor, including: professional development, web-based training, and customer service/help desk. <i>(For example: In TE/Website includes contact information for support, teacher tips or links to instructional strategies)</i>	0	1	2	
Ease of Use and Support Subtotal: _____/12				

2024-2025 SUSD
Textbook Adoption Review Rubric



Engagement & Ability to Meet Student Needs	None	Some	All	Comments
The resource has questions and learning tasks that encourage the development and application of critical and creative thinking. (For example - In TE/Supplemental materials for examples of problem based learning and simulations relevant to the discipline)	0	1	2	
The resources provide options for leveled learning to meet student interest and ability. (For example: teaching strategies to meet learner needs, ideas and resources for advanced to struggling learners and recommendations for different learning styles.	0	1	2	
The resource is culturally relevant for students from diverse backgrounds and provides multiple perspectives. (For example: TE shows various viewpoints, builds classroom community, & allows students to draw on different backgrounds)	0	1	2	
The resource sparks student interest, is relevant to today, and includes interdisciplinary and real world connections. (For example: engages students in current events and exposes them to the work habits of experts within different fields of study)	0	1	2	
The resource provides the ability to alter instructional materials and assessments to accomodate students. (For example: Digital TE can be used to assign assignments & assessments for personalized learning, including use of assistive technology)	0	1	2	May need to delete as most of this is in the assessment category now
The resource has interactive activities for collaborative learning and discourse. (For example: Activities centered around student to student interaction)	0	1	2	
Engagement & Ability to Meet Student Needs Subtotal: _____/12 (possibly increase weighting of this criteria)				

**2024-2025 SUSD
Textbook Adoption Review Rubric**

Assessment Tools	None	Some	All	Comments
The resource has multiple assessment options to test student understanding. (For example: Inclusion of problem or project-based assessments or other alternative options)	0	1	2	
The resource includes flexible assessment resources that are easily adaptable and are able to be shared across multiple platforms. (For example: Assessment questions are editable and can be imported to other digital platforms)	0	1	2	
The resource includes assessment tools. (For example: Rubrics and checklists)	0	1	2	
The resource includes options for differentiation and the ability to modify assessments to meet the needs of diverse learners.	0	1	2	
The resource includes feedback mechanisms and facilitates data collection (For example: resources that allow teachers and students to understand how results lead to next steps in the learning process.)	0	1	2	
Assessment Subtotal: _____/10				

Total

$$\text{_____}/12 + \text{_____}/10 + \text{_____}/12 + \text{_____}/10 = \text{_____}/44$$



Secondary Social Science Adoption Criteria

2024-2025 SECONDARY SOCIAL SCIENCE CURRICULUM ADOPTION COMMITTEE

SUSD's VISION: Engaging all students in world-class, future-focused learning.

SUSD's MISSION: We inspire, motivate, and empower all to think critically, act collaboratively, and embrace diversity for a life of intellectual exploration, community engagement, and personal growth.

Criteria for determining the quality of instructional materials include:

Accuracy and Alignment:

- Aligned to AP and/or Arizona State Social Science Standards (must provide an explicit Arizona Social Science Standards alignment document).
- Aligned to standards, scope & sequence, and disciplinary practices of the AP course and/or Arizona State Social Science Standards.
- Pedagogy fosters culturally responsive teaching.
- Appropriate depth of knowledge to prepare students for high stakes assessment and performance-based tasks
- Supports essential questions, understanding, and objectives
- Curriculum is accurate and current with supporting evidence.

Ease of Use and Support

- Layout and organization of curriculum materials contribute to ease of use.
- Resources are available in multiple formats for both students and teachers (hard-copy, digital, etc.).
- Digital resources can be accessed by teachers and students through SUSD's learning management systems (Clever, Google Classroom, Synergy, etc.).
- The resource has digital tools for collaboration and remote sharing opportunities.
- The teacher edition provides options for methods of instruction and choice for differentiated learning.
- Curriculum provides support to teachers that buttress student academic honesty.
- The resource is fully supported by the vendor, including: professional development, web-based training, and custom service/help desk.

Engagement and the Ability to Meet Student Needs

- The resource has questions and learning tasks that encourage the development and application of critical and creative thinking.
- Provides guidance and resources for teachers to differentiate instruction and assessment (both support and extensions).
- The resource is culturally relevant for students from diverse backgrounds and provides multiple perspectives.
- The resource sparks student interest, is relevant to today, and includes interdisciplinary and real world connections.
- Provides the ability to alter instructional materials and assessments to accommodate a variety of student needs May need to delete as most of this info is below in assessment
- Interactive activities are present which foster collaborative learning and discourse.

Assessment

- Multiple assessment options exist to test student understanding
- Includes flexible assessment resources that are easily adaptable and are able to be shared across multiple platforms
- Includes tools to support assessment
- Options are included to differentiate assessments in order to meet the diverse needs of learners both supportive and extension related
- Includes feedback mechanisms to facilitate data collection and implementation of follow-up strategies



Chapter 1 Resource Manager

SECTION RESOURCES

Daily Objectives	Reproducible Resources	Technology/Multimedia Resource
Section 1 Scarcity and the Science of Economics 1. Explain the fundamental economic problem. 2. Examine the three basic economic questions every society must decide.	Reproducible Lesson Plan 1-1 Daily Lecture Notes 1-1 Guided Reading Activity 1-1 Reading Essentials and Study Guide 1-1* Section Quiz 1-1*	Daily Focus Transparency 1 Interactive Tutor Self-Assessment Software ExamView® Pro Testmaker Presentation Plus!
Section 2 Basic Economic Concepts 1. Explain the relationship among scarcity, value, utility, and wealth. 2. Understand the circular flow of economic activity.	Reproducible Lesson Plan 1-2 Daily Lecture Notes 1-2 Guided Reading Activity 1-2 Reading Essentials and Study Guide 1-2* Section Quiz 1-2*	Daily Focus Transparency 5 Interactive Economics! Interactive Tutor Self-Assessment Software ExamView® Pro Testmaker Presentation Plus!
Section 3 Economic Choices and Decision Making 1. Analyze trade-offs and opportunity costs. 2. Explain decision-making strategies.	Reproducible Lesson Plan 1-3 Daily Lecture Notes 1-3 Guided Reading Activity 1-3 Reading Essentials and Study Guide 1-3* Section Quiz 1-3*	Daily Focus Transparency 2 Vocabulary PuzzleMaker CD-ROM Interactive Economics! NBR Economics & You Video Program Interactive Tutor Self-Assessment Software ExamView® Pro Testmaker Presentation Plus!

- Transparency
 CD-ROM
 Software
 Blackline Master
 Audio Program
 Videocassette

*Also available in Spanish

0:00

OUT OF TIME?

Assign the Chapter 1 Audio Program activity and test.

Block Schedule

Activities that are particularly suited to use within the block scheduling framework are identified throughout this chapter by the following designation: BLOCK SCHEDULING

KEY TO ABILITY LEVELS

Teaching strategies have been coded for varying learning styles and abilities.

- L1 BASIC** activities for all students
- L2 AVERAGE** activities for average to above-average students
- L3 CHALLENGING** activities for above-average students
- ELL ENGLISH LANGUAGE LEARNER** activities

Chapter 1 Resource Manager

Timesaving Tools

TeacherWorks™ All-In-One Planner and Resource Center



- **Interactive Teacher Edition** Access your Teacher Wraparound Edition and your classroom resources with a few easy clicks.
- **Interactive Lesson Planner** Planning has never been easier! Organize your week, month, semester, or year with all the lesson helps you need to make teaching creative, timely, and relevant.

Use Glencoe's
Presentation

Plus! multimedia teacher tool

to easily present dynamic lessons that visually excite your students. Using Microsoft PowerPoint® you can customize the presentations to create your own personalized lessons.



ACTIVITY

From the Classroom of...

Sarah T. Makepeace
McCallie School
Chattanooga, TN



Production Possibilities Frontiers

This is a good way to illustrate the curved nature of the production possibilities frontier.

Choose two teams of two students each. Each team should have students of different talents. For instance, I choose one student who seems to have good gross motor skills and one who seems to have good fine motor skills. Give the teams a limited amount of time, usually 15 seconds, to "produce" as many push-ups as they can. A quality control person counts the push-ups, and another serves as a timer. On the board, draw a graph, and label the x-axis "push-ups" and the y-axis "chain." Plot each team's number of push-ups on the horizontal axis. Next, challenge each team to make paper clip chains in the same amount of time. Plot the data.

Now, question the teams about how many push-ups they could produce if one person produced push-ups and the other produced paperclip chains. Ask: Which team member would you choose to produce which good? Why? Students should recognize that some resources are better suited to the production of one good than another.

National Council on Economic Education

THE EconomicsAmerica AND
EconomicsInternational PROGRAMS

Voluntary National Content Standards in Economics
Emphasized in Chapter 1

Content Standard 1

Content Standard 2

Content Standard 14

For a complete listing of NCEE Standards and entire text correlation, see Teacher pages in front of book.

Resources Available from NCEE

- Capstone: The Nation's High School Economics Course
- Focus: High School Economics
- Entrepreneurship in the U.S. Economy
- Personal Decision Making: Focus on Economics

To order these materials or to contact your state Council on Economic Education about workshops and programs, call 1-800-338-1192 or visit www.nationalcouncil.org



Chapter 1 Resource Manager

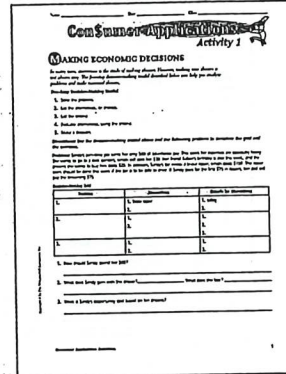
TEACHING TRANSPARENCY

Economic Concept Transparency 1: L2 Scarcity

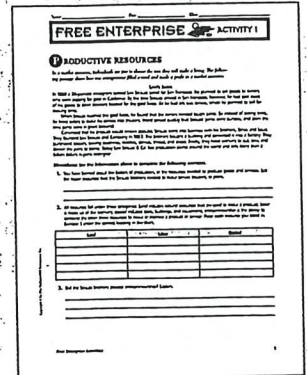


APPLICATION AND ENRICHMENT

Consumer Application L1 Activity 1

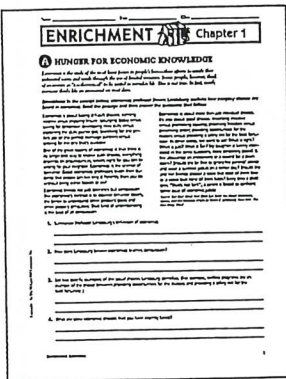


Free Enterprise L2 Activity 1

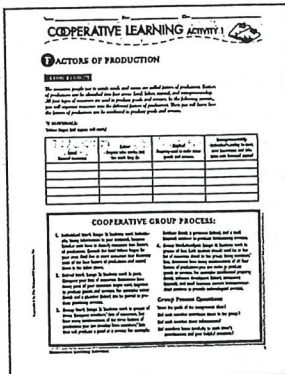


APPLICATION AND ENRICHMENT

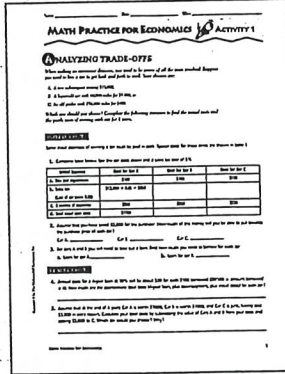
Enrichment Activity 1 L3



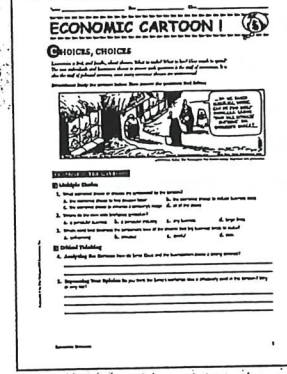
Cooperative Learning L1 Activity 1



Math Practice L1 Activity 1



Economic Cartoon 1 L3

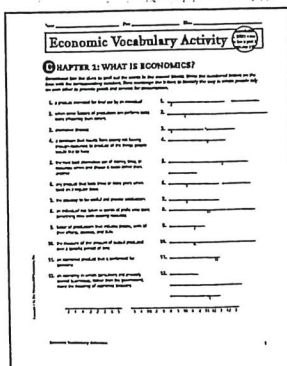


Primary and Second L2 Source Reading 1

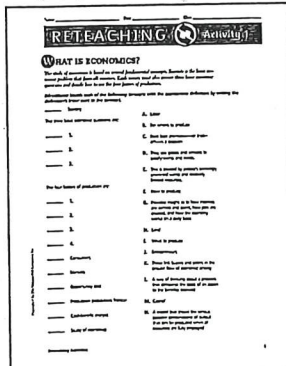


REVIEW AND REINFORCEMENT

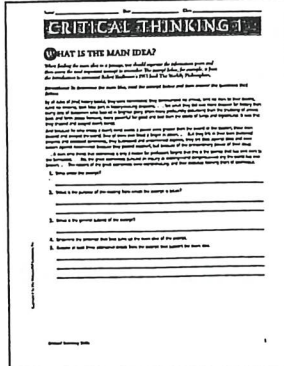
Economic Vocabulary L1 Activity 1



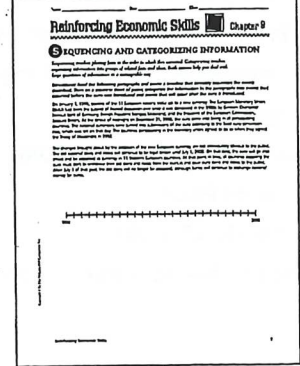
Reteaching Activity 1 L1



Critical Thinking L2 Activity 1



Reinforcing Economic L1 Skill 9



Chapter 1 Resource Manager



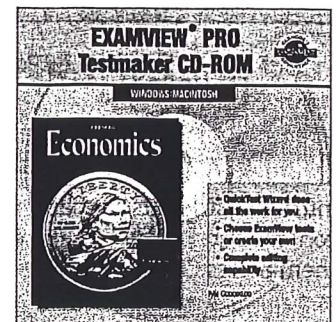
ASSESSMENT AND EVALUATION

Chapter 1 Test L2 Form A

Chapter 1 Test L2 Form B

Performance Assessment L1ELL Activity 1

ExamView® Pro Testmaker



SPANISH RESOURCES

The following Spanish language materials are available:

- Spanish Economic Vocabulary Activities
- Spanish Reteaching Activities
- Spanish Section Quizzes
- Spanish Reading Essentials and Study Guide
- Spanish Economic Concepts Transparencies

Also available:

- Spanish Chapter 1 Audio Program Activity and Test

TECHNOLOGY/MULTIMEDIA

- Vocabulary PuzzleMaker CD-ROM
- Interactive Tutor Self-Assessment Software
- ExamView® Pro Testmaker
- Audio Program (English or Spanish)
- NBR Economics & You Video Program
- MindJogger Videoquiz
- Interactive Economics! CD-ROM
- Presentation Plus!
- TeacherWorks CD-ROM
- Glencoe Skillbuilder Interactive Workbook CD-ROM, Level 2



Use our Web site for additional resources. All essential content is covered in the Student Edition.

You and your students can visit app.glencoe.com, the Web site companion to *Economics: Principles and Practices*. This innovative integration of electronic and print media offers your students a wealth of opportunities. The student text directs students to the Web site for the following options:

- Chapter Overviews
- Student Web Activities
- Self-Check Quizzes
- Textbook Updates

Answers are provided for you in the Web Activity Lesson Plan. Additional Web resources and interactive puzzles are also available.

Introducing CHAPTER 1



Performance Assessment

Refer to Activity 1 in the *Performance Assessment Strategies and Activities* booklet.

ECONOMICS Online

Introduce students to chapter content and key terms by having them access Chapter Overview 1 at app.glencoe.com

NIGHTLY BUSINESS REPORT

ECONOMICS & YOU

What Is Economics?

After viewing this segment, students should be able to:

- Distinguish between needs and wants.
- Discuss the trade-offs involved in allocating scarce resources.

GLENCOE TECHNOLOGY



Use MindJogger Videoquiz to preview the Chapter 1 content.

FOLDABLES™

Study Organizer

Dinah Zike's Foldables are three-dimensional, interactive graphic organizers that help students practice basic writing skills, review key vocabulary terms, and identify main ideas. Have students complete the foldable activity in the *Dinah Zike's Reading and Study Skills Foldables* booklet.

CHAPTER

1

What Is Economics?

Economics & You

The study of economics will help you become a better decision maker—it helps you develop a way of thinking about how to make the best choices for you. To learn more about the scope of economics, view the Chapter 2 video lesson:

What Is Economics?

ECONOMICS Online

Chapter Overview Visit the *Economics: Principles and Practices* Web site at app.glencoe.com and click on Chapter 1—Chapter Overviews to preview chapter information.

Consumers must make choices from many alternatives.

EXTRA CREDIT PROJECT

Have students create a television-viewing log chronicling the number and types of economics related items presented on the nightly news. Suggest that some students watch national newscasts on the networks, that others watch CNN national newscasts, and that still others watch local newscasts. They should record the date, the subject of the item, and the length of time devoted to the item. When study of the chapter is completed, have students compare and discuss their logs, noting how much news related to economics is presented.

Scarcity and the Science of Economics

Study Guide

Main Idea

Scarcity forces us to make choices. We can't have everything we want, so we are forced to choose what we want most.

Reading Strategy

Graphic Organizer As you read the section, complete a graphic organizer like the one below by listing and describing the three economic choices every society must make.



Key Terms

scarcity, economics, need, want, factors of production, land, capital, financial capital, labor, entrepreneur, production, Gross Domestic Product (GDP)

Objectives

After studying this section, you will be able to:

1. **Explain** the fundamental economic problem.
2. **Examine** the three basic economic questions every society must decide.

Applying Economic Concepts

Scarcity Read to find out why scarcity is the basic economic problem that faces everyone.

Over Story

Harris Poll Shows High Interest in Economics

American adults are an exceptionally interested in economics. More than seven in ten say they are the same high level of interest in economics as they do politics, business and finance. A full 96% believe basic economics should be taught in high school. Yet, half of these same adults and two out of three high school students flunked an elementary quiz on basic economic concepts. Clearly the time has come [to] place economic literacy higher on the national education agenda.



The focus on economics education is growing.

—April 27, 1999 press release, The National Council on Economic Education

Do you think the study of economics is worth your time and effort? According to the Harris poll in the cover story, a huge percentage of Americans think it is. They must know what economists know—that a basic understanding of economics can help make sense of the world around us.

The Fundamental Economic Problem

Have you ever noticed that very few people are satisfied with the things they have? Someone without a home may want a small one; someone else with a small home may want a larger one; someone with a large home may want a mansion. Others want things like expensive sports cars, lavish jewelry, and exotic trips. Whether they are rich or poor, most people seem to want more than they already have. In fact, if each of us were to make a list of all the things we want, it would include more things than we could ever hope to obtain.

The fundamental economic problem facing all societies is that of scarcity. **Scarcity** is the condition that results from society not having enough resources to produce all the things people would like to have.

CHAPTER 1: WHAT IS ECONOMICS? 5

CHAPTER 1

Section 1, pages 5–10

1 FOCUS

Section Overview

This section examines the three basic economic questions.

BELLRINGER Motivational Activity



Project transparency and have students answer questions.

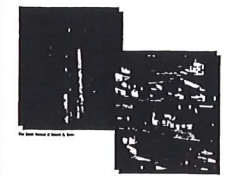


Available as blackline master.

Daily Focus Transparency 1

FOCUS ACTIVITIES

THE BASIC ECONOMIC PROBLEM: SCARCITY



1. Which photograph represents a limited resource?
2. Which photograph represents unlimited wants?

Daily Focus Transparency

Study Guide

Reading Strategy

Have students create the graphic organizer.

Answers to Graphic: what to produce, how to produce, for whom to produce

Preteaching Vocabulary

Have students provide examples of scarce resources in their daily lives.

RESOURCE MANAGER

Reproducible Masters

- Reproducible Lesson Plan 1-1
- Daily Lecture Notes 1-1
- Guided Reading Activity 1-1
- Reading Essentials and Study Guide 1-1
- Section Quiz 1-1

Transparencies

- Daily Focus Transparency 1

Multimedia

- Interactive Tutor Self-Assessment Software
- ExamView® Pro Testmaker
- Presentation Plus!

CHAPTER 1

Section 1, pages 5–10

2 TEACH

Daily Lecture Notes 1-1

DAILY LECTURE NOTES Lesson 1-1

DO YOU KNOW?

We witness scarcity with each year's "hot" new toy. Inspired by hunter President Teddy Roosevelt, Americans coveted the teddy bear in 1906. College football cards were big during the 1980s, as were Ticket to Ride in 1996. By 1999 Game Boy's Pokémon was the rage with a 10-cent trading card. The nonportable first-edition pocket monitors were in such short supply that they commanded from \$8 to \$182.

PAGES 5-6

I. The Fundamental Economic Problem

- Scarcity is the condition where unlimited human wants face limited resources.
- Economics is the study of how people satisfy wants with scarce resources.
- Needs are required for survival; wants are desired for satisfaction.
- Someone has to pay for production costs so there is no such thing as a free lunch (TINSTAFL).

Discussion Questions

Why do you think scarcity is an issue with the rich as well as the poor? (It is a human trait that few people, regardless of their economic status, are satisfied with what they have.)

PAGES 6-7

II. Three Basic Questions

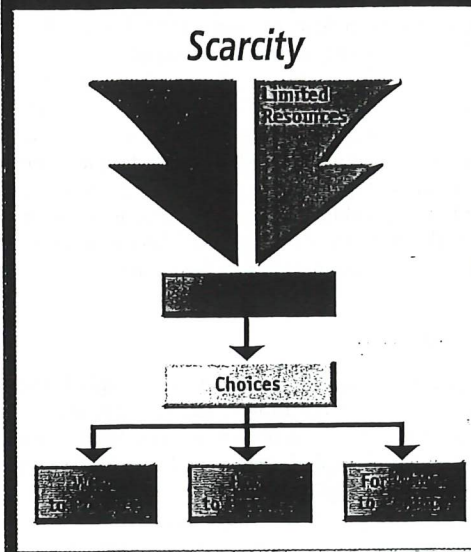
- What must we produce? Society must choose based on its needs.
- How should we produce it? Society must choose based on its resources.
- For whom should we produce? Society must choose based on its population and other available markets.

Discussion Questions

How might the economic decisions of a mountainous island society differ from those of a mountainous landlocked society? (An island society has water resources to consider and likely a more limited population.)

ECONOMICS AT A GLANCE

Figure 1.1



Using Charts Scarcity is the fundamental economic problem that forces consumers and producers to use resources wisely. Why is scarcity a universal problem?

As shown in **Figure 1.1**, scarcity affects almost every decision we make. This is where the study of economics comes in. **Economics** is the study of how people try to satisfy what appears to be seemingly unlimited and competing wants through the careful use of relatively scarce resources.

Needs and Wants

Economists often talk about people's needs and wants. A **need** is a basic requirement for survival and includes food, clothing, and shelter. A **want** is a way of expressing a need. Food, for example, is a basic need related to survival. To satisfy the need for food, a person may "want" a pizza or other favorite meal. Because any number of foods will satisfy the need for nourishment, the range of things represented by the term *want* is much broader than that represented by the term *need*.

"There Is No Such Thing as a Free Lunch"

Because resources are limited, virtually everything we do has a cost—even when it seems as if we are getting something "for free."

For example, you may think you are getting free lunch when you use a "buy one, get one coupon." However, while you may not pay for extra lunch then and there, someone had to pay a farmer for raising the food, the truck driver for delivering the food, the chef for preparing food, and the server for serving the food.

How does business recover these costs? Charges are that the price of the giveaway is usually hidden somewhere in the prices the firm charges for products. As a result, the more a business gives away "free," the more it has to raise the price of the items it sells. In the end, someone always pays for the supposedly "free" lunch—and that someone may be you!

Unfortunately, most things in life are not free because someone has to pay for the production of the first place. Economic educators use the **TINSTAFL** to describe this concept. In this term means that *There Is No Such Thing as a Free Lunch*.

Three Basic Questions

Because we live in a world of relatively scarce resources, we have to make wise economic choices. **Figure 1.1** presents three of the basic questions we have to answer. In so doing, we make decisions about the ways our limited resources will be used.

WHAT to Produce

The first question is that of **WHAT** to produce. Should a society direct most of its resources to the production of military equipment or to consumer items such as food, clothing, or housing? Suppose the decision is to produce housing. Should its limited resources be used for low-income, middle income, or upper-income housing? How many of each will be needed? A society cannot have everything its people want, so it must decide **WHAT** to produce.

ECONOMICS AT A GLANCE

Answer: because people all over the world need goods and services produced with limited resources

L1 Bulletin Board

Have students bring to class photographs or magazine clippings that illustrate scarce economic resources. Then have volunteers create an annotated bulletin-board display titled *Scarcity*. **ELL**

MEETING SPECIAL NEEDS ACTIVITY

Learning Disabled For students who have problems with reading, you might wish to help them organize their study of the section by examining the section objectives given in the Study Guide at the beginning of each section. Point out that the tasks required by the objectives are signaled in the first word of the objective. Some emphasize collection ("List," "Identify"), while others call for description ("Describe," "Explain"). Still others ask students to compare, analyze, and so on. Ask students to look through the objectives for this section and to note the first word of each. Have students explain what they believe they will have to do to meet each objective. Tell students to keep their answers in mind as they read the section.

Refer to *Inclusion for the Social Studies Classroom Strategies and Activities* in the TCR

CHAPTER 1

Section 1, pages 5–10

HOW to Produce

A second question is that of **HOW** to produce. Could factory owners use mass production methods that require a lot of equipment and few workers, or should they use less equipment and more workers? If an area has many unemployed people, the second method might be better. On the other hand, mass production methods in countries where machinery and equipment are widely available can mean lower production costs. Lower costs make manufactured items less expensive and, therefore, available to more people.

FOR WHOM to Produce

The third question deals with **FOR WHOM** to produce. After a society decides **WHAT** and **HOW** to produce, the things produced must be allocated to someone. If the society decides to produce houses, should it be distributed to workers, professional people, or government employees? If there are not enough houses for everyone, a choice must be made as to who will receive the existing supply. These questions concerning **WHAT**, **HOW**, and **FOR WHOM** to produce are not easy for any society to answer. Nevertheless, they must be answered as long as there are not enough resources to satisfy people's seemingly unlimited wants.

The Factors of Production

The reason people cannot satisfy all their wants and needs is the scarcity of productive resources. The **factors of production**, or resources required to produce the things we would like to have, are land, capital, labor, and entrepreneurs. As shown in **Figure 1.2**, all four are required if goods and services are to be produced.

and

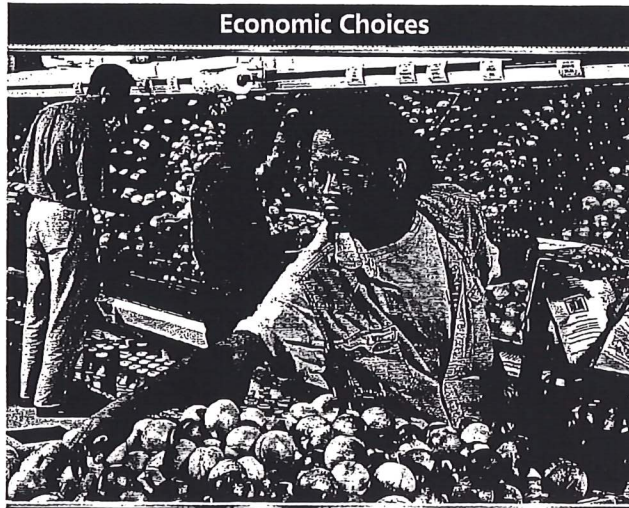
In economics, **land** refers to the gifts of nature, or natural resources

not created by humans. "Land" includes deserts, fertile fields, forests, mineral deposits, livestock, sunshine, and the climate necessary to grow crops. Because only so many natural resources are available at any given time, economists tend to think of land as being fixed, or in limited supply.

For example, there is not enough good farmland to adequately feed all of the earth's population, nor enough sandy beaches for everyone to enjoy, nor enough oil and minerals to meet our expanding energy needs indefinitely. Because the supply of a productive factor like land is relatively fixed, the problem of scarcity is likely to become worse as population grows in the future.

Capital

Another factor of production is **capital**—the tools, equipment, machinery, and factories used in the production of goods and services. Such items are also called capital goods to distinguish them from **financial capital**, the money used to buy the tools and equipment used in production.



Making Decisions If we cannot have everything we want, then we have to choose what we want the most. **Why must a society face the choices about what, how, and for whom to produce?**

CHAPTER 1: WHAT IS ECONOMICS? 7

FREE ENTERPRISE ACTIVITY

Just as consumers are faced with scarcity of goods and services, entrepreneurs must deal with scarcity of the other three factors of production—land, capital, and labor. Have students imagine that they are entrepreneurs in the business of producing and selling CDs. Inform them that the price of the raw material used for making CDs has doubled. Encourage students to make economic predictions about what will happen in the CD business. (*Fewer CDs will be produced; the price of CDs will go up; consumers will purchase fewer CDs.*)

L1 ELL

Guided Reading Activity 1-1

GUIDED READING Activity 1-1

For use with textbook pages 2–10

SCARCITY AND THE SCIENCE OF ECONOMICS

Directions: Use the information in your textbook to answer the questions. Use a ruler and a sheet of paper if necessary.

- What is the basic economic problem facing all societies?
- How is land defined here?
- What do the terms "fixed" and "scarce" mean in economics?
- What are the three basic questions societies have to answer about the way their resources are used?
 -
 -
 -
- List the factors of production and define each one.
 -
 -
 -
- What is production?
- What are the four key elements of scarcity? Explain briefly why each one is important.

CYBERNOMICS

Stock Trading One area of economic activity that computers and the Internet have revolutionized is stock trading. For certain stocks, traders no longer have to use a stockbroker to buy or sell stock. Instead, using computers, they can trade directly with one another. They also use certain software programs to help them analyze stocks. Using a number of sites on the Internet, traders can keep track of stocks as they are being bought and sold, and keep track of the buyers and sellers as well. Have students discuss how this new technology may affect the rules and regulations of stock trading.

Visual Instruction

Answer to Caption:
because people's wants are greater than available resources

CHAPTER 1

Section 1, pages 5–10

ECONOMICS AT A GLANCE

Answer: Answers will vary, but should contain examples from each of the four factors of production.

L2 Designing a Poster

Have students work individually or in small groups to design posters that illustrate the three basic economic questions. **ELL**

L3 Writing Commercials

Have students write storyboards for a television commercial “selling” economics as a subject that should be studied. The commercial should describe the nature of economics, discuss the relevance of the subject to class members, and point out how they may benefit from an understanding of the subject.

3 ASSESS

Assign Section 1 Assessment as homework or as an in-class activity.

Have students use **Interactive Tutor Self-Assessment Software** to review Section 1.

L2

Section Quiz 1-1

NAME _____ DATE _____ CLASS _____

QUIZ ♦ Chapter 1, Section 1

SCARCITY AND THE SCIENCE OF ECONOMICS

Directions: Write your answers in Column A with the letter in Column B. Write the correct letter in the blank. (15 points total)

<p>A</p> <p>1. Scarce</p> <p>2. Good</p> <p>3. Bad</p> <p>4. Good</p> <p>5. Good Economic Product</p>	<p>B</p> <p>a. Scarce of production that includes natural resources and created by humans.</p> <p>b. A bad requirement for survival.</p> <p>c. Dollar value of all final goods, services, and products produced within a country's borders in a 12-month period.</p> <p>d. Goodness that results from scarcity and having enough resources to produce all the things people want to be done.</p> <p>e. Scarce of production that includes both labor and capital.</p> <p>f. Scarce of production that includes both labor, equipment, and resources used in the production of goods and services.</p>
--	--

Multiple Choice: In the blank at the left write the letter of the choice that best completes the statement or answers the question. (13 points total)

1. Which of the following is NOT a basic economic question?

a. What to produce
b. How to produce
c. What to consume
d. What to produce

2. What is the fundamental problem of economics?

a. Scarce
b. Good
c. Bad
d. Good

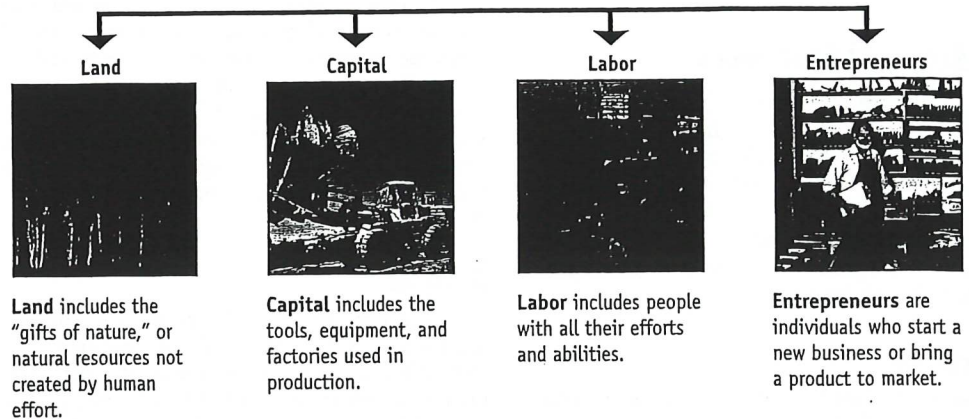
3. Which of the following are the four factors of production?

a. Land, labor, money, entrepreneurs
b. Land, labor, capital, money

ECONOMICS AT A GLANCE

Figure 1.1

The Factors of Production



Synthesizing Information The four factors of production are necessary for production to take place. What four factors of production are necessary to bring jewelry to consumers?

Capital is unique in that it is the result of production. A bulldozer, for example, is a capital good used in construction. It also was built in a factory, which makes it the result of earlier production. Like the bulldozer, the cash register in a neighborhood store is a capital good, as are the computers in your school that are used to produce the service of education.

Labor

A third factor of production is **Labor**—people with all their efforts, abilities, and skills. This category includes all people except for a unique group of individuals called entrepreneurs, which we single out because of their special role in the economy.

Unlike land, labor is a resource that may vary in size over time. Historically, factors such as population growth, immigration, famine, war, and disease have had a dramatic impact on both the quantity and quality of labor.

Entrepreneurs

Some people are special because they are the innovators responsible for much of the change in economy. Such an individual is an **entrepreneur**—a risk-taker in search of profits who does something new with existing resources. Entrepreneurs often thought of as being the driving force in an economy because they exhibit the ability to start new businesses or bring new products to market. They provide the initiative that combines the resources of land, labor, and capital into new products.

Production

When all factors of production—land, capital, labor, and entrepreneurs—are present, **production** is the process of creating goods and services, can take place. In fact, everything we produce requires the factors. For example, the chalkboards, desks, audiovisual equipment used in schools are capital goods. The labor is in the form of services supplied by teachers.

8 UNIT 1 FUNDAMENTAL ECONOMIC CONCEPTS

CRITICAL THINKING

Analyzing Information On the board, list a number of economic activities from both the service and manufacturing sectors. For example, you might list manufacturing computer hardware (the processor, keyboard, screen), creating a new computer word processing program, teaching a high school course on computers, running a computer store, and growing wheat. Ask students to make and complete a chart using the listed economic activities for the rows and the factors of production for the columns. When students have finished, discuss as a class how the factors of production are involved in each economic activity.

CHAPTER 1

Section 1, pages 5–10

teachers, administrators, and other employees. And, such as the iron ore, granite, and timber used to make the building and desks, as well as the land where the school is located, is also needed. Finally, entrepreneurs are needed to organize the other three factors and make sure that everything gets done.

The Scope of Economics

Economics is the study of human efforts to satisfy what appear to be unlimited and competing wants through the careful use of relatively scarce resources. As such, it is a *social science* because it deals with the behavior of people as they deal with this basic issue. There are four key elements to this study: description, analysis, explanation, and prediction.

Description

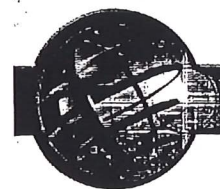
Economics deals with the description of economic activity. For example, you will often hear about the **Gross Domestic Product (GDP)**—the

dollar value of all final goods and services, and structures produced within a country's borders in a 12-month period. GDP is the most comprehensive measure of a country's total output and is a key measure of the nation's economic health. Economics is also concerned with what is produced and who gets how much, as well as with topics such as unemployment, inflation, international trade, the interaction of business and labor, and the effects of government spending and taxes.

Description is important because we need to know what the world around us looks like. However, description is only part of the picture because it leaves many important "why" and "how" questions unanswered.

Analysis

In order to answer such questions, economics must focus on the analysis of economic activity as well. Why, for example, are prices of some items high while others are low? Why do some people earn higher incomes than others? How do taxes affect people's desire to work and save?

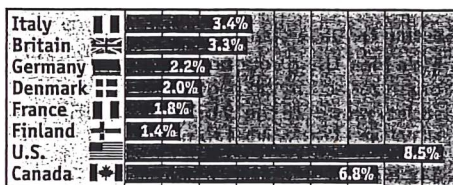


THE GLOBAL ECONOMY

UNITED STATES LEADS IN ENTREPRENEURS

A vast majority of the owners of the nearly 20 million businesses in the United States are entrepreneurs. Most either work for themselves or have a few employees.

A 10-nation study found that the United States leads when it comes to entrepreneurs. According to the survey, nearly 1 in 12 Americans is trying to start a new business. In second place is Canada. The study also shows a strong link between business start-up rates and overall economic growth. The graph shows the percentage of the adult population starting new businesses.



Source: 1999 Global Entrepreneurship Monitor

Critical Thinking

- Analyzing Information** In which nation is entrepreneurial activity strongest? Weakest?
- Making Comparisons** How does the level of North America's entrepreneurial activity compare with Europe's?
- Drawing Conclusions** Do you think there is a link between business start-up rates and overall economic growth? Why or why not?

CHAPTER 1: WHAT IS ECONOMICS? 9

THE GLOBAL ECONOMY

United States Leads in Entrepreneurs

Just as students in the United States participate in programs on entrepreneurship, students in other countries study the same principles. In Ireland, students aged 12 to 18 can be part of the Young Entrepreneurs Programme. The purpose of the program is to encourage students to learn about starting their own businesses. Students sometimes sell their products or services to other students and sometimes to the general public. During the 1996–1997 school year, more than 7,000 students in 250 schools took part in the program, starting about 2,300 businesses.

Answers:

- United States; Finland
- North America's entrepreneurial activity is, per capita, twice that of Europe.
- Answers will vary, but students should consider the opportunities strong economic growth offers.

EXTENDING THE CONTENT

Importance of Economics Economics is becoming increasingly important in people's lives, and interest in the subject is growing among the general public. To accommodate this interest, the media have enlarged their coverage of economics. Newspapers, for example, are devoting more space to economic matters. Economic commentators are a part of evening newscasts, and television newsbreaks often feature the economic events of the day. Education is also focusing more on economics, with many states now mandating economics instruction. These mandates take different forms, such as consumer economics, free enterprise, and economic principles and institutions.

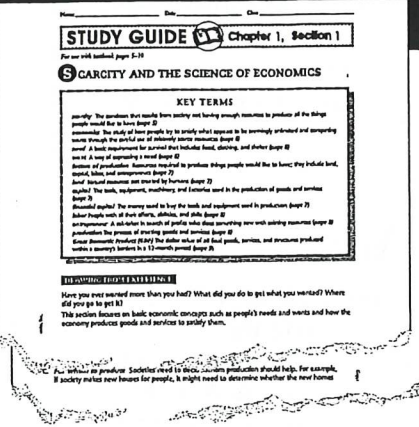
CHAPTER 1

Section 1, pages 5–10

Reteach

L1 ELL

Reading Essentials and Study Guide 1-1



Enrich

Provide students with copies of business and financial newspapers and magazines, such as *The Wall Street Journal*, *Forbes*, and *Business Week*. Have students search through the publications to locate and discuss articles that address the concepts they have examined so far in this chapter.

4 CLOSE

Ask students to consider how the element of prediction in economics might be important in their own lives. For example, have they ever examined reports on the expected growth or decline in certain jobs? Is the demand for auto mechanics or computer programmers going to grow over the next 10 years? Or, is the trend in their region toward a growth or a decline in the overall number of jobs? How might such economic predictions be important for their futures?

CYBERNOMICS SPOTLIGHT

Capital

"Capital" comprises the tools, equipment, and factories used to produce goods and services. As the economy changes, some economists are adjusting the definition to include "tools" such as knowledge and intellectual property. An example of such knowledge and intellectual property are databases and software.

The importance of analysis is that it helps us to discover why things work and how things happen. This, in turn, will help us deal with problems that we would like to solve.

Explanation

Economics is also concerned with the explanation of economic activity. After economists understand why and how things work, it is useful and even necessary to communicate this knowledge to others. If we all have a common understanding of the way our economy works, some economic problems will be much easier to address or even fix in

the future. When it comes to the GDP, you soon discover that economists spend much of time explaining why the measure is, or is not, forming in the manner expected.

Prediction

Finally, economics is concerned with predict. For example, we may want to know if people's incomes are going to rise or fall in the future, affecting their spending habits in the marketplace. Or, perhaps a community trying to choose between higher taxes on homeowners or higher taxes on businesses needs to know the consequences of each alternative before it makes its choice.

The study of economics can help to make the best decision in both situations. Because economics deals with the study of what is, or what tends to be, it can help predict what may happen in the future, as well as the likely consequences of different courses of action.

Finally, it is also important to realize that actual decisions about the economic choices that are made are the responsibility of all citizens in a democratic society. Therefore, the study of economics helps all of us to become more informed citizens and better decision makers.

Section 1 Assessment

Checking for Understanding

- 1. Main Idea** Using your notes from the graphic organizer activity on page 5, explain why a society must face the choices about WHAT, HOW, and FOR WHOM to produce.
- 2. Key Terms** Define scarcity, economics, need, want, factors of production, land, capital, financial capital, labor, entrepreneur, production, Gross Domestic Product (GDP).
- 3. Describe** the fundamental economic problem.
- 4. List** the three basic economic questions every society must answer.
- 5. Describe** the factors of production.
- 6. List** the four key elements of economics.

Applying Economic Concepts

- 7. Scarcity** How does scarcity affect your life? Provide several examples of items you had to do without because of limited resources. Explain how you adjusted to this situation. For example, were you able to substitute other items for those you could not have?

Critical Thinking

- 8. Synthesizing Information** Give an example of a supposedly "free" item that you see every day. Explain why the item is not really free by stating who or what actually pays for it.



Practice and assess key social studies skills with the *Glencoe Skillbuilder Interactive Workbook, Level 2*.

10 UNIT 1 FUNDAMENTAL ECONOMIC CONCEPTS

Section 1 Assessment Answers

- Choices must be made as long as wants are greater than the resources available.
- All vocabulary terms are defined in the text.
- Answers should describe scarcity.
- what to produce, how to produce, for whom to produce
- The factors of production are land, capital, labor, and entrepreneurs. Students should provide descriptions of each factor.
- description, analysis, explanation, prediction
- Students should recognize items that are scarce because of limited resources.
- Students should give appropriate examples.

BusinessWeek

Newsclip

Alexis de Tocqueville, a French traveler, wrote about his travels in the United States during the 1830s. His book, *Democracy in America*, a two-volume study of the American people and their institutions, is still relevant today.

The Role of the Entrepreneur

What astonishes me in the United States is not so much the marvelous grandeur of such undertakings as the innumerable multitude of small ones.

—Alexis de Tocqueville, 1835

What [de Tocqueville noticed nearly 160 years ago]—before the advent of Apple Computer, Genentech, Microsoft, or Nucor—is as true today. The only difference is that the spirit of enterprise is more than ever a global phenomenon with few bounds.

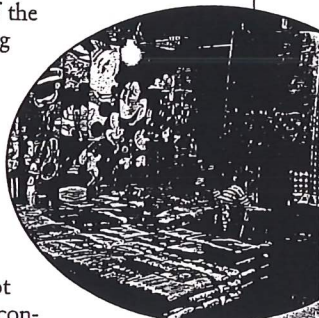
From the row of kiosks selling goods on nearly every block in Moscow to the cramped factories in Taiwan, Russian *biznez-men* and Chinese *chang-ing* are reshaping their nations' economies in much the same way as those ingenious old entrepreneurs created the basis for America's business cultures just after independence was won.

Any [de Tocqueville of modern times] would notice something else about this global shift:

Changes in the rules of the business game are putting a premium on the entrepreneurial qualities of [the smaller] companies. Today's successful enterprises are nimble, innovative, close to the customer, and quick to the market. They're not bureaucratic, centrally controlled institutions that are slow to change. It adds us to a new management catechism with many of the hallmarks of small business. . . .

Sure, some industries, such as auto making and petrochemicals, still require size and scale. But the swift pace of technological change and the fragmentation of markets are eroding the traditional economies of scale. Indeed, some management thinkers now speak of the "diseconomies of scale," the unresponsiveness, sluggishness, and high costs that come with bureaucracy. While the behemoths try to adjust to new competitive realities, younger and smaller companies have emerged as the agents of change in economies around the world. . . .

—Reprinted from *Small Business Trends and Entrepreneurship*, by the editors of *Business Week*, copyright © 1995 by The McGraw-Hill Companies, Inc.



Examining the Newsclip

1. Summarizing Information What are the entrepreneurial qualities of small companies?
2. Finding the Main Idea What does the writer mean by "diseconomies of scale"?

11

Business Week Newsclip

BusinessWeek ONLINE

Visit the Business Week Web site at www.businessweek.com for up-to-date news, analysis on the economy, editorials, special reports, market updates, book reviews, personal finance information, and an archive of past articles.

TEACH

After students have read the article, have them to think of any small entrepreneurial ventures in their own neighborhoods. **Ask:** What sorts of small, privately owned businesses have opened in your area—pizza shops, bakeries, comic book shops, hair salons, convenience stores? What advantages do these smaller businesses offer to the consumer? (*Students should recognize that a smaller company can often provide specialized products and more individualized service.*)

Refer to *Business Week Focus on the New Economy* in the TCR for additional unit-based articles.

Answers to Examining the Newsclip

1. They are nimble, innovative, close to the customer, and quick to the market.
2. The writer is referring to the slowness to change and the high costs that can result when companies become too large.

CHAPTER 1

Assessment and Activities

GLENCOE
TECHNOLOGY



Use MindJogger
Videoquiz to review
the Chapter 1
content.



Have students visit the Web site
at epp.glencoe.com to review
Chapter 1 and take the Self-
Check Quiz.

Identifying Key Terms

1. consumer goods
2. value
3. services
4. scarcity
5. opportunity cost
6. human capital
7. utility
8. capital goods
9. factors of production
10. consumers

Reviewing the Facts

Section 1

1. having only limited resources to meet seemingly unlimited wants
2. WHAT to produce? HOW to produce? FOR WHOM to produce?
3. land: land itself and natural resources; capital: school building, computers, financial capital; labor: teachers, other workers, publishers; entrepreneurs: people who devise new products and methods of delivery of educational material.
4. It deals with people's behavior as they cope with scarcity.

Section 2

5. Consumers use goods and services to satisfy their wants and needs.
6. because they are intangible and it is difficult to measure their value accurately
7. Product markets are producers offering goods and services for sale.

Chapter 1 Assessment and Activities

ECONOMICS
Online



Self-Check Quiz Visit the *Economics: Principles and Practices* Web site at epp.glencoe.com and click on Chapter 1—Self-Check Quizzes to prepare for the chapter test.

Identifying Key Terms

Write the key term that best completes the following sentences.

capital goods	opportunity cost
consumer goods	scarcity
consumers	services
factors of production	utility
human capital	value

1. Economic products designed to satisfy people's wants and needs are called ____.
2. The ____ of a CD player can be expressed in dollars and cents.
3. Haircuts, repairs to home appliances, and entertainment are examples of ____.
4. ____ arises because society does not have enough resources to produce all the things people would like to have.
5. The ____ of going to a football game instead of working would include the money not earned at your job.
6. ____ is the sum of the skills, abilities, health, and motivation of people.
7. ____ is another name for the capacity of a product to be useful.
8. The only factors of production that are themselves the result of earlier production are ____.
9. Land, capital, labor, and entrepreneurs are ____.
10. People who use goods and services to satisfy their wants and needs are called ____.

Reviewing the Facts

Section 1 (pages 5–10)

1. Identify the cause of scarcity.
2. List the three basic economic questions that a society must face.
3. Describe the factors of production required to deliver a service like education.
4. Explain why economics is considered a social science.

Section 2 (pages 12–17)

5. Describe the relationship between goods, services, and consumers.
6. Explain why services are excluded from the measurement of wealth.
7. Distinguish between product markets and factor markets.
8. Explain why economists argue that productivity is important.

Section 3 (pages 19–25)

9. Describe the nature of an opportunity cost.
10. Identify the economic concept illustrated by the production possibilities frontier.
11. Describe incremental decision making.
12. Explain why economic education is important.

Thinking Critically

1. **Understanding Cause and Effect** Suppose that Alpha, shown in Figure 1.6 on page 23, decides to produce more guns and less butter. What must Alpha have to do to make the change? What would be the opportunity cost of producing more guns? What conditions would have to be met for the new mix of guns and butter to be on the production possibilities frontier?

28 UNIT 1 FUNDAMENTAL ECONOMIC CONCEPTS

Factor markets are productive resources being bought and sold.

8. Productivity is the efficient use of productive resources. The more efficiently productive resources are used, the greater the number of goods and services that are produced.

Section 3

9. the cost of the next best alternative use of money, time, or resources when one choice is made rather than another
10. opportunity cost

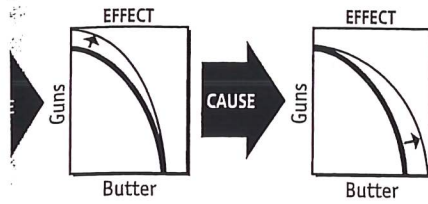
11. making a decision in small stages or steps so that the decision can be reversed without too much being lost
12. It helps people become better decision makers.

Thinking Critically

1. Resources have to be shifted from butter to guns. The opportunity cost of producing more guns is the production of less butter. All of Alpha's resources would have to be employed.

Chapter 1 Assessment and Activities

Understanding Cause and Effect Copy the two diagrams of the production possibilities frontiers shown below. Then, write captions that explain what each diagram is showing.



Applying Economic Concepts

Scarcity What three choices must a society make because of scarcity?

Utility How is a product's utility related to its price?

Cost-Benefit Analysis How would you apply the concept of cost-benefit analysis to the decision to attend high school? To further your education?

Math Practice

A city administrator with a \$100,000 annual budget is trying to decide between fixing potholes or directing traffic at several busy intersections after school. Statistics have shown that 15 cars hit potholes every day, causing average damages of \$200. Collisions at busy intersections are less frequent, averaging one per day, at an average cost of \$6,000, although none have ever caused injuries or deaths. Use this information to answer the following questions.

1. What are the annual costs from the pothole damage?

2. What are the annual costs due to damage from collisions?

3. Given the size of the annual budget, make your recommendation as to which project should be undertaken. Explain your answer in terms of dollar benefits per dollar spent.

Thinking Like an Economist

Use a problem-solving process to gather information about the alternatives, trade-offs, and opportunity costs facing the city administrator. List and consider possible options the administrator may choose to implement. Consider the advantages and disadvantages of implementing the possible solutions.

Technology Skill

Using a Spreadsheet Keep track of your economic decisions for one week. Use your data to create a spreadsheet, highlighting your weekly spending habits.

1. In cells B1 through E1, type *Food, Clothing, Entertainment, and Other*. In cell F1, type *Total*.
2. In cells A2 through A8, type the days of the week, starting with *Monday* in cell A2. In cell A9, type *Total*.
3. In cells B2 through E2, enter the amount spent in each category on Monday.
4. In cell F2, use a formula such as `=SUM(B2:E2)` to calculate total expenditures on Monday. Click and drag this formula to cells F3 through F8 to find the other weekday sums.
5. Compute total expenditures for cells B9–F9.

Building Skills

Sequencing and Categorizing Information Identify a reasonably large purchase you recently made or are about to make. What are the trade-offs involved, and what are the criteria you use to evaluate the alternatives? On a separate sheet of paper, illustrate your decision in the form of a decision-making grid like the one below.

Decision-Making Grid				
Alternatives	Criteria 1	Criteria 2	Criteria 3	Criteria 4



Practice and assess key social studies skills with the *Glencoe Skillbuilder Interactive Workbook, Level 2*.

CHAPTER 1: WHAT IS ECONOMICS? 29

CHAPTER 1 Assessment and Activities

Thinking Like an Economist

Answers may include a solution that will split the budget between the two problems. Students may look at the problems from the standpoint of which is more likely to threaten people's lives.

Technology Skill

Check students' answers for accuracy.

Building Skills

Answers should reflect an understanding of opportunity costs and trade-offs. Grids should contain elements to aid in the decision-making process.



Bonus Test Question

Suppose that scientists invented a car that ran efficiently on water. Explain, in terms of scarcity, how this might affect the price of water. Explain, in terms of utility, how this might affect the price of gasoline. (*The more water that is needed, the scarcer it becomes, and so the price of water might go up. The less gasoline that is needed, the less utility it has, and so the price of gasoline might go down.*)

The diagram on the left shows increase in productivity/resources in gun industry; the diagram on right shows increase in resources/productivity in butter industry.

Applying Economic Concepts

WHAT to produce? **HOW** to produce? **FOR WHOM** to produce?
For a product to have value, it must have utility.

3. Make a matrix listing choices and the costs and benefits (including time, money, and satisfaction) of each educational choice.

Math Practice

1. \$156,000
2. \$72,000
3. Fixing the potholes is a better economic choice since for every dollar spent, the city would get \$1.56 back in benefits. For every dollar spent in directing traffic at intersections, the city would get \$0.72 in benefits.

Economics in Action Workshop

1 FOCUS

The purpose of this activity is to provide students with a concrete example of the problem of scarcity and hands-on experience in answering the three fundamental questions of economics.

2 TEACH

- Prepare by filling several lunch bags each with three chocolate bars, five marshmallows, and two graham crackers, or some other uneven combination of ingredients. Label each bag "Resources."
- Begin the workshop organizing students into groups of three or four. Distribute a "Resources" bag to each group. Then direct students to follow the steps.
- After students examine the contents of their bags, make sure they understand what "s'mores" are and how they are made.
- As students conduct the workshop activity, offer mini-lectures at the appropriate points on the problem of scarcity (Step 1) and on the three fundamental questions of economics: what to produce (Step 5), how to produce it (Step 6), and how to distribute what is produced (Step 6).

ECONOMICS WORKSHOP IN ACTION

Working with Resource Scarcity

From the classroom of . . .

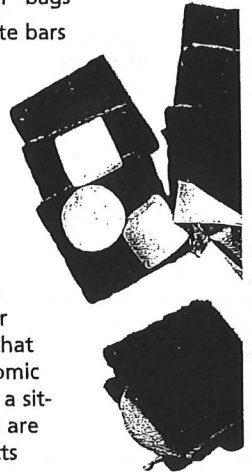
*Douglas Ide
Mt. Ararat High School
Topsham, Maine*

Our resources are limited while our wants are relatively unlimited. In this workshop, you will experiment with methods to overcome the problem of scarcity. You will also answer the three fundamental questions of economics: what to produce, how to produce it, and how to distribute what you produce. Finally, you will analyze why it is important to determine the answers to these questions.

Setting Up the Workshop

For this activity you will need:

- small paper "lunch" bags
- miniature chocolate bars
- marshmallows
- graham crackers



Procedures

STEP 1

Review the concept of scarcity with your group. Remember that scarcity is the economic term that describes a situation where there are not enough products available to satisfy people's needs or wants. Discuss why scarcity *always* exists.

STEP 2

Review the concept of production. Note that production—the creation of goods and services—requires four factors.

The Four Factors of Production:

- Natural Resources
- Labor
- Capital
- Entrepreneurship

STEP 3

Your teacher will provide you with your group "resources." Do not open the bag.

30 UNIT 1 FUNDAMENTAL ECONOMIC CONCEPTS

Participating in Economics

Scarcity in the Classroom Organize the class into groups, or keep the same grouping from the workshop activity. Have each group choose a single element in the classroom—a chair, for example, a piece of chalk, a brick in the wall—and focus on it as an economic good. Allow groups 15 minutes to develop brief narratives of their chosen good's production history, explaining how its manufacturer had to confront scarcity and answer the three fundamental questions of economics. Students should record their narratives in note form, which a group representative can consult while relating his or her group's analysis to the class.

P 4

and discuss these instructions:

bag contains your resources. You must use these resources and no other, but you may use them in any way you choose. The resources are only what they appear to be: chocolate, shmallows, and graham crackers; they may be used to represent anything other than

P 5

Open your bag and study the contents. Discuss the item or items your group can produce with these "resources." Due to scarcity, your group may have difficulty in producing one complete unit of "product" for each group member.

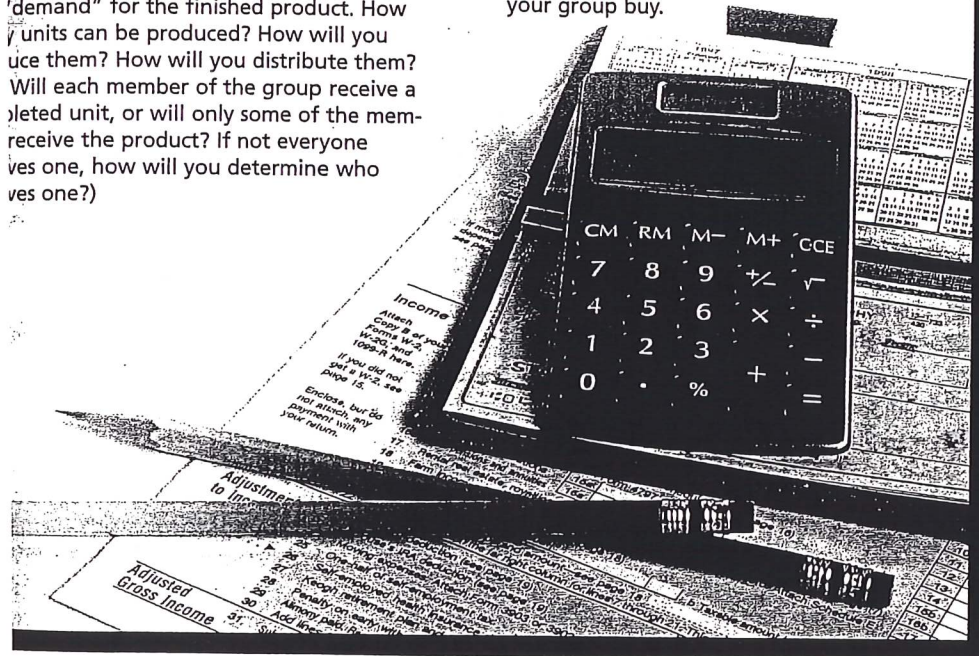
P 6

Compare the available resources in your bag to the "demand" for the finished product. How many units can be produced? How will you use them? How will you distribute them? Will each member of the group receive a completed unit, or will only some of the members receive the product? If not everyone receives one, how will you determine who receives one?

Summary Activity

Once you've produced the product, answer the following questions. Take notes as you determine the answers.

1. What was your first thought when you opened the bag and examined the amount of resources?
2. What did you then have to decide?
3. Why did you have to think about how to produce them, and how they would be distributed?
4. Were each of the four factors of production used in making your product?
5. What resources were used?
6. What type of skills and tools did the workers need?
7. Create a chart showing the factors of production that are combined into different consumer products that the members of your group buy.



UNIT 1 FUNDAMENTAL ECONOMIC CONCEPTS 31

The world's oldest "industry" is flint knapping (chipping) to make tools, which originated some 2.5 million years ago in what is now Ethiopia. These ancient craftspeople had to deal with scarcity (limits of stone, time, and so on) and "answer" the same fundamental economic questions that people do today.

3 ASSESS

Have students write paragraphs that explain how the problem of scarcity impacts a local manufacturing business of their own choosing.

4 CLOSE

Invite student comments on this thought: "The basic ideas of economics are really quite simple."

ECONOMIC SURVIVAL A FINANCIAL SIMULATION

To help students learn to manage their own finances, have the class play the game **Economic Survival: A Financial Simulation** in which each student enters the workforce, rents an apartment, and deals with everyday events.

Summary Activity Answers

Answers will vary. For question 1, reward thoughtful answers and indicate for students how their responses relate to the problem of scarcity and/or the three fundamental questions of economics. For question 2, reward responses that indicate an understanding of the three fundamental questions of economics. For question 3, students should demonstrate an awareness of how scarcity forces producers to address the three fundamental questions of economics.