Honors Economics & Financial Literacy Matthews (Room 803)

Course objectives:

The purpose of economics is to provide students the opportunity to acquire an understanding of the way in which society organizes its limited resources to satisfy unlimited wants - scarcity. The student will be introduced to the major characteristics of the mixed market economic system in the United States and how the basic economic questions are answered. The emphasis of this course is to provide the students with an understanding of the forces of the marketplace by examining the effect of their role as producer, consumer, saver, investor, resource owner, voter, and taxpayer on the system.

Textbook: Understanding Economics – McGraw Hill

Course outline:

1. Introduction to Economics – What is economics?

* factors of production
* entrepreneurship
* scarcity
* opportunity costs – trade-offs
* production possibilities
* Comparative advantage
* macro v. microeconomics

1. Free Enterprise in the United States

* pillars of free enterprise
* economic incentives
* competition
* price system
* circular flow model
* Adam Smith – “invisible hand” theory
* Economic systems

1. Supply, Demand, & Market Clearing Price

* laws of supply and demand
* price effect
* determinants of supply and demand
* elasticity of supply and demand
* changes in supply and demand
* principle of diminishing marginal utility
* graphing of supply and demand curves
* shortage and surplus
* correcting shortages and surpluses
* government interference - price ceilings and price floors
* black markets

1. The Business of Free Enterprise

* entrepreneurship
* business organization – sole proprietorship, partnership, corporation
* rise of E-commerce
* special types of business organization
* organization of large corporations

1. Financing a Business

* financial markets
* short term, long term financing
* stocks and bonds
* Stock Markets – NYSE, AMEX, NASDAQ
* Dow Jones Industrial Average
* Investment simulation
* Security and Exchange Commission
* Income statement & balance sheet

1. Production and Productivity

* Gross Domestic Product
* C+G+Ig+Xn = GDP
* standards of living
* determinants of productivity
* Marginal revenue = Marginal Cost (MR=MC)
* production costs
* revenue concepts
* Law of diminishing returns
* Economies and diseconomies of scale

1. Productivity of Labor

* supply and demand of labor
* determining wages
* MRP=MRC
* market forces and wages
* non market forces and wages
* labor Unions
* Monopsony model
* 3 union models
* Bilateral monopoly
* Government legislation and labor
* Settling labor disputes

1. Fiscal Policy, Taxation, and the National Debt

* Gross National Product
* Reasons for increased government spending
* Expenses of the U.S. government
* State and local finances
* Taxation – methods and reasons
* National debt – reasons, problems, and non-problems, and solutions
* Fiscal policy – theories
* John Maynard Keynes & Arthur Laffer’s economic theories
* Theories of inflation

1. Monetary Policy

* Federal Reserve
* Money
* Surpluses and shortages of money
* Required reserves
* Money creation
* Monetary multiplier

**My Expectations of Students**

This includes:

* Be in class on time – strictly enforced
* Have necessary materials for class
* Always respect everyone in class
* Participate in class activities (ask questions, answer questions, etc.)
* Complete assignments on time (or early!)
* Make up tests promptly (according to GBHS policy)
* Help others whenever possible

**Students’ Expectations of the Teacher**

I will

* not allow you to “hide” in class and avoid participating. I will call on you… and you….. and you ……
* provide opportunities for class discussions
* listen to you
* provide you with opportunities to develop your writing skills
* not give extra credit assignments
* not look up your grade on the computer, you can do it as easily as I can
* expect you to get assignments ahead of time when you know you will be absent
* follow the school’s policy on make-up work
* try to be creative in my assignments
* make the class as fun as possible (remember, it is economics)
* grade tests as fast as possible

Evaluation:

1. Tests (at least four major tests per nine weeks).
2. Quizzes (both announced and unannounced).
3. Homework and class work

Class rules: Students behavior will conform to the GBHS Code of Conduct as well as the following.

1. Students will raise their hand to answer a question or contribute to the class discussion.
2. Students will not talk while the instructor or other students a talking.
3. Passes will only be given on an emergency basis.

All tests and quizzes will be made up before school. You have three school days to complete all make-up work.