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| **Grade:** | **Course:** |
| **High School** | **Economics** |
| **Unit Focus** | |
| **National Economic Performance**  **Overview: Students will understand how various models and instruments describe economic performance.** | |
| **Week of April 27th, 2020** | |
| **Standard(s)** | |
| **E.39 Define gross domestic product (GDP), economic growth, unemployment, and inflation, and explain how they are calculated. E, P**  **E.40 Define externalities and identify examples of them. E**  **E.41 Identify the different causes of inflation and analyze inflation’s impact. C, E, P**  **E.42 Explain the role of banks and other financial institutions in the U.S. economy. E, P**  **E.43 Differentiate between different types of unemployment (e.g., structural, functional, seasonal, underemployment, and cyclical). E, G, P**  **E.44 Describe the impact of investment and consumer debt as it relates to the national economy** | |
| **Day 1** | |
| **Focus 1: Deficits & Debts**  **Task 1**  **Watch Episode #9 Deficits & Debts**  [**https://youtu.be/3sUCSGVYzI0**](https://youtu.be/3sUCSGVYzI0)  **Quick Check:**  1. What is deficit spending?  2. What is driving the huge deficits?  3. Who is the biggest recipient of federal dollars?  4. What is default?  5. What is the debt ceiling? | |
| **Day 2** | |
| **Focus 1: Gross Domestic Product**  **Task 1- Review Weekly Glossary**  **This Week’s Glossary:**  **1- Gross Domestic Product**   * **It is the dollar value of all final goods and services produced within a country’s borders in a given year.** * **It is critical that the goods and services are made in the country. The companies can be foreign owned but must be located in the country. This leads to the creation of jobs.** * **GDP can be adjusted for inflation. It is called real GDP. This avoids the problem of rising prices making GDP appear to rise.**   **2- Business Cycle**   * **It is a period of macroeconomic expansion followed by a period of macroeconomic contraction.** * **During a period of expansion, the economy experiences economic growth. It experiences a steady, long-term increase in real GDP.** * **At the height of the expansion, the peak occurs. The peak is the height of the expansion. It occurs when real GDP stops rising.** * **The peak is followed by a period of contraction. Contraction occurs when there is an economic decline marked by a fall in real GDP.** * **The trough is the lowest point in an economic contraction, when real GDP stops falling.**   **Quick Check:**  **1- What is a nation’s Gross Domestic Product?**  **2- Why is Gross Domestic Product an indicator of the strength or weakness of a nation’s economy?**  **3- What is a business cycle?**  **4- How does a period of expansion differ from a period of contraction?**  **5- How does the peak of the business cycle differ from the trough?**  **6- How do savers benefit the economy?**  **7- What factors might lead to economic expansion? What forces might lead to economic contraction?** | |
| **Day 3** | |
| **Focus 1: National Debt**  **Task 1**  **Review the Notes**  Budget Deficits and the National Debt  Reflection: Have you ever borrowed money from anyone? Until you paid back the loan, you were in debt.  The basic tool of fiscal policy is the federal budget. It is made up of two parts: revenue (taxes) and expenditures (spending programs).  Balanced Budget: a budget in which revenues are equal to spending.  Budget Surplus: a situation in which the government takes in more than it spends.  Budget Deficit: a situation in which the government spends more than it takes in. Responding to Budget Deficits 1) The government could create more money. However, by increasing the amount of money in circulation, the government increases demand for goods and services. Once the economy reaches full employment, output cannot increase. The result is inflation. If the government covered large deficits this way, hyperinflation could occur.  2) The federal government can borrow money by selling bonds.  National Debt: all the money the federal government owes to bondholders. It is the sum of all government borrowing. The government must pay interest on the debt.  Crowding-out effect: the loss of funds for private investment due to government borrowing.  Servicing the debt: paying the interest on the debt  At times, citizens and politicians have suggested amending the Constitution to require a balanced budget.  **Quick Check:**  1) How does the national deficit differ from the national debt?  2) Why does the government try not to respond to a budget deficit by increasing the amount of money in circulation?  3) Why is the crowding-out effect damaging to the economy?  4) What is servicing the debt? | |
| **Day 4** | |
| **Focus 1: Banking Today**  **Task 1: Watch-** [**https://youtu.be/Dugn51K\_6WA**](https://youtu.be/Dugn51K_6WA)  **Quick Check:**  1. Why don’t we use the barter system?  2. What are two main purposes of money?  3. Name the 2 different groups that make up our financial system?  4. Name one way that exchanges take place within the financial system?  5. Why are stocks known as equity? | |
| **Day 5** | |
| **Focus 1: American Banking**  **Task 1:**   1. What is a bank?   \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Economists define a bank as an institution for \_\_\_\_\_\_\_\_\_\_\_\_\_,  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and \_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.   1. How do banks make money?   \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   1. Can banks go bankrupt? Explain your answer.   \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  4) Do you remember Federalists and Antifederalists from your American history class? YES NO  Federalists wanted a \_\_\_\_\_\_\_\_\_\_\_ central government.  Antifederalists wanted a weaker central government and increased rights for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.  Now, think of banking…  Federalists wanted a \_\_\_\_\_\_\_\_\_ bank to oversee the nation’s \_\_\_\_\_\_\_\_\_\_\_.  Antifederalists did not want a \_\_\_\_\_\_\_\_\_\_ bank. They wanted states to regulate \_\_\_\_\_\_\_\_\_\_\_.   1. In 1791, Congress established a \_\_\_\_\_\_\_\_ bank. This brought stability to \_\_\_\_\_\_\_\_\_\_.   In 1811, its charter was not renewed because some people feared that this bank would only lend to the \_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_.  During those times when there was no \_\_\_\_\_\_\_\_\_\_\_ bank, there was \_\_\_\_\_\_\_\_\_ in banking. Some banks went \_\_\_\_\_\_\_\_\_\_\_ because they made too many \_\_\_\_\_\_\_\_\_ loans and could not borrow from a \_\_\_\_\_\_\_\_\_\_ bank.  Eventually, Americans realized the need for a \_\_\_\_\_\_\_\_ bank.  During the Civil War, Congress enacted bank \_\_\_\_\_\_\_\_\_\_.  Banks were now required to hold adequate \_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_ reserves. The government also established a uniform  \_\_\_\_\_\_\_\_\_\_\_\_\_\_ or \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ for all Americans.   1. Define the following terms:    1. Bank runs: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   * 1. Greenbacks: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   * 1. Federal Reserve System: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   * 1. Great Depression: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   * 1. Federal Deposit Insurance Corporation (FDIC) : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  1. What lessons have we learned about banking and the government’s role in our nation’s banking system?   \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |