

New Renaissance In Education

SUGGESTED CURRICULUM TOPIC AREAS

(You may use or submit Lesson Plans for any of these Curriculum Topics.
You can also proposed new Curriculum Topics)

NOTE TO USERS AND CONTRIBUTORS:

The following are just some of the possible Curriculum Topics & Subject Areas that can be developed or proposed by YOU, the educators that contribute to NRIE. They are the suggestions of NRIE's Founder and staff. It doesn't mean they are the only or the best curriculum topics or ideas. NRIE encourages participating educators to add to and improve on these topics, while developing creative and inspiring lesson plans to go with them. Feel free to print these pages.

Thank you for your contributions!

Curriculum Area:

FUNDAMENTALS OF ECONOMICS - PART 1

I. WHAT IS ECONOMICS?

A. Comparison of Possible Definitions/Descriptions

Economics as the “study of the production, allocation, and consumption of goods and services”

Economic as “study of how people choose to use and allocate scarce resources to fulfill wants/needs”

Economics as the “Study of Human Preferences”

Economics as “Meeting the Needs and Wants of Society”

Question to Ponder:

How do the different definitions influence the way economics is studied and viewed?

II. COMPONENTS OF AN ECONOMIC MARKETPLACE

A. Young Learners

Society's Needs and Wants

Resources (labor, materials, time, etc.)

Infrastructure

Money

Prices

Buyers, Sellers, Producers, Distributors

Production & Distribution

Products & Services

Exchange (trade)
Supply and Demand
Other

B. More Advanced Learners

ADD. . .
Entrepreneurs & Risk-taking
Surplus (Profits) & Loss
Competition & Market Entry
Innovation & Efficiencies
Government
Taxes
Legal Infrastructure, Laws, and Regulations
 Those that promote and those that hinder economic progress
Investment
Lenders, Borrowers, and Financial Institutions
Equity & Commodity Markets
Foreign Trade and Exchange
Cost of Money/Capital (Interest), Liquidity
Return on Assets, Return on Investment (requirements for. . .)
Business values (integrity, fraud, etc.)
Other

Questions To Ponder

What can society do to promote an environment conducive to economic progress?
What can society do to promote good business behavior? (increase integrity and reduce fraud)

III. THE CONCEPT OF SCARCITY (AND ALLOCATION OF RESOURCES)

What is meant by Scarcity
Concept of Trade-Offs
List of Resources: The obvious (Labor, materials, energy, etc.)
Advanced Economic Resource Concepts (liquidity, money, credit)
Provocative List of Resources: Space, Time, Availability, Desires, Passions, Ambition, an
 Individual's Level of Energy, Attention Spans, Credit-worthiness,

Connections: Comparison between Government Planning versus Free Markets in overcoming scarcity (allocating resources) **OR** Comparison between the Political Process versus Free Markets in overcoming scarcity (allocating resources)

Questions To Ponder:

Are all resources scarce?
Is time a scarce resource? Explain.

IV. THE CONCEPT OF MONEY

Purpose of
History of
Fiat Currency versus Hard Currency (comparison between)
History of money in the United States
Comparison of money in the U.S. before and after the Federal Reserve Act of 1913.

Questions To Ponder:

What is the purpose of money?
What is the relationship between money and wealth?

A. On Debasement Of Currency

Why does it happen? Who gains and who loses?

Case Studies: (devaluation of currency):

Germany in the 1920s.
The Roman Empire.
The U.S since 1913.
Asian currencies in the 1980s and 1990s.
Venezuela today
Others

B. The Federal Reserve System (The Federal Reserve Act of 1913)

Function, structure, objectives, tools, etc.

Question to Ponder:

Evaluate the success of the Federal Reserve System as the Federal Reserve been a success? Explore:
The performance of the U.S. economy before and after 1920
Actions during the 1920s
Actions taken just before and after the stock market collapse
Actions taken during the Great Depression
Actions taken just after WWII
Actions taken during the late 1960s and 1970s,
Action taken during the Reagan Administration)
Analysis of actions by the Federal Reserve just prior to and after the economic crisis of 2008.

Connections: Comparison of Government control of money and money supply versus Free Money (Free Banking (see Hayek)).

Connections: The United States experience no loss in currency value during its first 130 years of existence, then experienced a decline of 96% in the purchasing value of the dollar since the Federal Reserve Act in 1913. Why is this and what does this suggest?

Connections: The United States

V. THE CONCEPT OF WEALTH

How wealth is created? Who creates wealth?
What makes a society wealthy.
What government can do to promote or hinder the creation of wealth.
Natural wealth versus man-made wealth
Turning sand into computer chips, etc.

Connections: Comparison of wealth today versus 200 years ago. 2000 years ago. What happened?

Connections: Comparison of wealth among different regions of the world, among different countries. Why the disparity?

Connections: Comparison of wealth creation in countries with centralized planning versus those with strongly free markets. What has been the results?

Question To Ponder:

What factors result in some societies becoming much wealthier than others?

VI. THE CONCEPT OF VALUE

- Intrinsic Value versus Economic Value
- Link between Value and Supply & Demand
- The Concept of Value under competing schools of economic thought
 - Labor Theory of Value, exchange theory, other
- Relationship between Marginal Utility and Value
- Connection between price and value

Questions To Ponder

- How is value determined?
- Why might a car be more valuable in the United States than in Libya?
- Why doesn't a recipe have any economic value?
- How is the value of science research be measured?
- Why is water less valuable than gold?

VII. PRICING AND PRICES

Fundamentals of price and pricing. Supply and demand.

A. The Role Prices In Society

- Signal to buyers, producers, and workers
- Speedy adjustment to market conditions
- The role of Prices when there is a shortage. When there is a surplus.

Pricing strategies of businesses in competition (loss leaders, discounts, undercutting, other)

Questions To Ponder:

- How might pricing conserve resources?
- Can prices sometimes be unfair?
- Is it good or fair when entrepreneurs come to New Orleans in the aftermath of Katrina to sell bottled water at \$5.00 per bottle?
- What would happen to an economy if there were no prices?
- What would happen if prices were set by a government?

B. Inflation & Deflation

- Causes of
 - Demand pull, supply push.
- Comparison between Real Inflation and Currency Devaluation
- Effects of. . . .
 - On the economy
 - On various participants in the economy (i.e., who gains and who loses)

C. When Pricing Mechanism Doesn't Operate Freely:

(Government Regulation of Prices)

- Types of Government regulations on pricing: Price ceilings, price floors (minimum wage)
- Effects of regulations on pricing.

Rationing (Supply shortages)
Supply surpluses
Pricing in Centrally Planned economies

Case Studies: (rationing & surpluses):

The Soviet Union (wheat, food);
Health care services (Canada, Great Britain, other)
United States (gasoline in the 1970s, public education)

Questions To Ponder:

What happens when prices are kept artificially low? Artificially high?
What are possible effects of minimum wage?
What would happen to education if it wasn't free?

F. THE CONCEPT OF PROFIT

A. The Role of Profit As Creator of Economic Surplus

The importance of economic surplus (how economic surplus enables societies to progress)

B. Role (Benefits) Of Profit In Society

Reward/Encourage initiative, ambition, risk-taking.
Promote innovation, progress, efficiency, quality, scientific exploration, R&D, tech advancement.
Encourage new suppliers/businesses, increase competition.
Increase diversity of goods & services
Provide people with goods and services they want and need.
Lower prices to make goods & services more affordable.
Create jobs for citizens, opportunity for immigrants.
Attract investment by rewarding banks and individuals that invest in entrepreneurs.
Create new capital (retained earnings) for economic growth, insurance during recession.
Bring in tax revenues that enable government to function.
Create wealth and capital for charities, the arts, and good works.
Allocate/Direct resources optimally, promote conservation, and reduce waste.

Questions To Ponder:

How does ability to earn a profit promote FREEDOM, Self-Fulfillment, and Self-Reliance?
Why do centrally planned economies ban profits?
How does the profit-motive promote conservation, and reduce waste?

C. Opposition to Profits

Opposition to profits in centrally planned economies
Opposition of profits in industries identified as key to general welfare (e.g., utilities, health care)
Opposition to "excess" profits.

Case Studies: Charges of excess profits by oil companies, insurance companies, other.

Questions To Ponder

What conditions could bring about "excess profits."
What economic conditions might bring about sustained "artificially" high OR "excess" profits?
What are the short-term and long-term effects of government action to minimize or eliminate profits?
What happens when government taxes profits?

