

Economics 11

Guide

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Economics 11

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Economics 11

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Introduction

The goal of social studies education is to help students become contributing, participating, and knowledgeable citizens of Canada. To achieve this goal, students must know, understand, and apply the content and concepts of the social studies disciplines such as history, geography, and economics.

The inclusion of economics recognizes the value of economic understanding in helping young people comprehend the modern world, make decisions that shape their future, and. . . The principles of economics bear directly on the ordinary business of life, affecting people in their roles as consumers and producers. Economic issues frequently influence voters in elections and also plays an important role in government decision making. A better understanding of economics enables students to understand the forces that affect them every day, and helps them identify and evaluate the consequences of individual and group decisions and government policies allowing them to function more effectively in the Canadian economy.

Learning how to reason about economic issues is important also because the analytic approach of economics differs in key respects from approaches appropriate for other related subjects such as history. Economic analysis helps us to master such subjects by providing effective ways to examine many of the “why” questions in history, politics, business, and international relations. The high school economics program should be student centred and consider the needs of all students. The program must reflect the core belief that all students are capable of learning at high levels and provide a variety of experiences that meet the needs of each learner.

Our goal is for students, by the time they graduate from high school, through a rigorous academic curriculum, to understand economics well enough to make reasoned judgments about both personal economic questions and broader questions of economic policy in a complex and changing world. We want to develop graduates who are resourceful problem-solvers, can adapt to the constant changes in our world, and are responsible citizens.

Skills, as well as content, play an important part in economic reasoning. The key skills students must develop in economics include an ability to

- identify economic problems, alternatives, benefits, and costs
- analyse the incentives at work in an economic situation
- examine the consequences of changes in economic conditions and government policies
- collect and organize economic evidence
- compare benefits with costs

Students should have gained several kinds of economic knowledge by the time they have finished high school in Nova Scotia. First, they

should understand basic economic concepts and be able to reason logically about key economic issues that affect their lives as workers, consumers, and citizens of Atlantic Canada, so they can avoid errors that are common among persons who do not understand economics. Second, they should know some pertinent facts about the Canadian economy, including its size and the current rates of employment/unemployment, inflation, and interest rates. Third, they should understand Canada's role in the global economy, and that there are differing views on most economic issues. This is especially true for issues such as the appropriate size and role of government in an economy, how and when the federal government should try to fight unemployment and inflation, and how and when the federal government should try to promote economic growth, and the benefits or costs of free trade agreements.

Rationale

Students will learn and apply basic economic concepts of production, distribution, and consumption to make decisions as effective participants in an international economy. Students need to understand how their economic decisions affect them, others, and the nation as a whole.

Students will understand the development, principles, institutions, and change over time of economic systems in Canada and the world. Students will also understand how these concepts apply to individuals, households, businesses, governments, and societies which make decisions based on the availability of resources, as well as on costs and benefits of choices. These concepts also help to explain the patterns and results of trade, interdependence, and distribution of wealth in local, regional, national, and world economies.

Economics analyses the production, allocation, distribution, and use of resources. Students examine the inherent relationship between costs and benefits, and the values associated with them. Understanding economic principles, whole economics, and the interactions between different types of economies helps students comprehend the exchange of information, capital, and products in a global community. Citizens need to be able to assess the impact of market influences and government actions on the economy in which they live. Studying economics better equips students to make sound personal economic choices, and to participate effectively in social decision making as citizens in an increasingly competitive and interdependent global economy.

Economic reasoning or “the economic way of thinking” is the essential product of the study of economics. Such critical thinking prepares students to weigh not only the short-term effects of a decision but also its long-term effects and possible unintended consequences. It also provides a vital framework within which to make personal economic decisions, to analyse current issues and public policies, and to understand the complex relationships among economic, political, and cultural systems.

Instructional efforts should concentrate on aiding students to achieve an understanding of fundamental economic concepts and their relationships. Students should be given a conceptual framework to help them organize their understanding of economics, and they should be exposed to a manner of thinking that emphasizes systematic, objective analysis. The real personal and social advantages of economic understanding becomes apparent as individuals achieve competence in applying their knowledge to a wide range of economic issues they confront.

Course Overview

The grade 11 economics course has a specific emphasis on the basic economic structure of Canada and the role we play in a global economic community. This course will enable students to examine aspects of Canada's economy that affect them as individuals, as Canadians and as part of the global community. Students will explore the basis for economic study, the role of money in the economy, the significance of a market to economic understanding, the vital role production and productivity plays in the measurement of economic performance, the magnitude of government involvement in economic events and the issues involved in the distribution of income, wealth and economic power in Canada.

The prescribed course of study introduces students to economic terminology, describes what economists do, and why there is a subject of study called economics. Issues will be discussed from a student perspective first with the development of economic reasoning and theory to follow. Students will be aware of the daily effect that economics has on their lives. They will realize that they make many economic decisions on a weekly basis which leads to a deeper more meaningful understanding of economic concepts.

The following organizational themes form the basic structure for Economics 11—The Basis of Economics, Market, Production, Distribution, and Money. These themes were selected for their relevance to basis economic literacy and an understanding of how the Canadian economy functions.

Each theme provides opportunities for students to reflect on selected topics. After considering an

issue or topic from a personal perspective and a theoretical one, students can then expand their analysis to a regional, national, or global level. The involvement of other individuals, groups, organizations, government agencies, and business and financial institutions in any topic or issue is to be encouraged where it is deemed appropriate by the teacher. Teachers are encouraged to draw upon students' stories to show how many economic activities and decisions students make on a daily and weekly basis.

The themes are articulated through a set of specific curriculum outcomes and learning outcomes. It is expected that all the specific curriculum outcomes will be obtained. Teachers may choose from a variety of learning outcomes to achieve this expectation.

Economics 11 is designed to facilitate resource based learning and teaching. Teachers and students are encouraged to search for current case studies, news items, and statistics from print and non print sources. Co-operative group strategies can also be used to attain many of the learning outcomes. The use of technology is also encouraged throughout this program and various web sites will be noted in the Notes section of the curriculum guide. It is expected that the use of technology will be incorporated into each section of the Economics curriculum.

Basis for Economic Study

The Basis of Economic study examines what is involved in the study of economics, economic terminology, individual and society's problem of dealing with unlimited wants and limited resources, the trade-offs involved in economic decision making, the major economic questions that different economic systems of the world deal with and how the basic problem of scarcity is handled. From this, a comparison can be made of other world economies and how Canada answers these major economic questions.

Students will be expected to:

- demonstrate an understanding that scarcity is the basis of economic study.
- analyse the relationship between limited resources and unlimited wants.
- explain how opportunity cost affects economic decisions.
- compare how different economic systems respond to scarcity.
- evaluate the Canadian mixed market economy response to the economic problem of scarcity.
- distinguish between economics as a field of inquiry and the work of economists.

SCO 1: Students will be expected to demonstrate an understanding that scarcity is the basis of economic study.

The basic economic problem confronting individuals and societies is the scarcity or imbalance between unlimited wants and limited resources available for satisfying those wants. Consumers use goods and services to satisfy economic wants. Scarcity of resources necessitates choice at both the personal and societal levels. Scarcity requires people to make choices about using goods and services and limited resources. Students may consider the choices they must make when, for example, they go to a cafeteria or fast food outlet with \$3.00 in their pocket. This is scarcity and what choices can they make. To deal with the problem of scarcity, people and societies create economic systems and institutions. Economic systems which allocate resources for production and distribution of goods and services can be traditional, command, or market. Canada's economy uses a "mixed system" which has features of all three.

Connections to GCOs and KSCOs

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs:

- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society (Individuals, Societies, and Economic Decisions)
- Students will be expected to demonstrate an understanding of the interactions among people, places, and the environment (People, Place and Environment)
- Students will be expected to demonstrate an understanding of the past and how it affects the present and the future (Time, Continuity, and Change)

KSCOs:

By the end of grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

- analyse how economic decisions are made by individuals, organizations, and governments, based on scarcity and opportunity cost

SCO 1: Students will be expected to demonstrate an understanding that scarcity is the basis of economic study.

Outcomes

Delineations of the outcome include but are not limited to the following:

- Define the basic economic concept of scarcity and why it exists
- Explain that when something is relatively scarce it assumes economic value
- Identify what geographic aspects exist that have some forms of scarcity naturally occurring
- Identify factors that can limit people's access to goods and services
- Identify the economic consequences to the problem of scarcity
- Analyse the pros and cons of scarcity. Is it all bad? When is scarcity good?
- Use historical examples to explain the problem of scarcity
- Analyse a current economic event in relationship to scarcity

Suggestions for Teaching and Learning

The teacher can

- use water resources as an example of an object that at times is a scarce resource (drought) and at other times is available in seemingly too great quantities such as floods (Texas, summer of 1998 extreme drought conditions with over 30 consecutive days with temperatures over 100°F and then massive floods in the fall and winter of 1998–99) to demonstrate the consequences to society of scarcity. The students then, as a class, can determine what are other economic consequences to society of scarcity of water such as disease, poverty, malnutrition, rise in infant mortality rates and war.
- Students can brainstorm their ideas regarding the term scarcity on chart paper using the think pair share technique. Teachers can post the chart paper and use the suggestions to focus discussion on these points:
 - in order to be scarce in economic terms, there has to be demand
 - it has to have monetary or intrinsic value
 - situation is related to scarcity
 - everybody experiences scarcity
 - individuals, groups, and countries experience scarcity
 - if it wasn't for scarcity, there wouldn't be economics
- Students can then develop a concept web on scarcity from the brainstorm and discussion. Then in groups, students can apply the concept of scarcity to the following situations:
 - technical skills and wages
 - time management (extra-curricular, part-time jobs, study)
 - clean water as a resource
 - free agency and sports
 - disparity and wages
 - the used good re-sale market (clothing, and CD's)
 - collectibles (sports cards, beanie babies, stamps)

Each group can do a presentation in oral or visual form.

SCO 1: Students will be expected to demonstrate an understanding that scarcity is the basis of economic study.

Suggestions for Assessment

Give a hypothetical situation and ask students to solve it (e.g., if there was a war between Iran and Iraq, and they each destroyed each others' oil fields, with no hope of fixing the problem for three years, what might occur?

- Compare two different approaches to dealing with a problem and seek evaluation of the effectiveness of the decisions and the alternatives that may have been chosen but weren't.
- Without taking sides, analyse a current issue such as lack of doctors in Nova Scotia, the 'brain drain' from Canada to the United States, Canadian athletes going to United States colleges on athletic scholarships vs. none being offered in Canada, lack of jobs in Cape Breton with the closing of the coal mines, child poverty, homeless in major cities, lack of a host of learning resources in schools, too much of scarce resources going to computers in education, compare the economic disparity between families who have computers, colour printers and internet access and those who don't.
- Have a pre-test as to what scarcity means to students, perhaps give terms, Ask for real-life examples that may have affected their friends or themselves such as going without something such as a meal, or a piece of clothing, then give a post test in the same information
- Judge when economic decisions made on behalf of a group of people would take precedence over those of individuals.
- Discuss the economic incentives which influence the use of scarce human, capital, and natural resources.
- Show how scarcity and choice impact the economic decisions of individuals, families and communities.
- Describe how people use psychological and intellectual resources to deal with scarcity.

Notes and Resources

- CFEE
- FTE
- Scarcity simulation:
<http://www.col-ed.org/cur/sst/sst235.txt>
- Scarcity lesson (liver transplants):
<http://www.economicsamerica.org/econedlink/minute/teacher/T990219.html>
- Are things really free lesson:
http://www.economicsamerica.org/econedlink/minute/archive/minute_980216.html
- video: *Economics* (TV Ontario, Media Library, LRT, V0508)

SCO 2: Students will be expected to analyse the relationship between limited resources and unlimited wants.

Knowledge of economics enables us to understand and consider potential implications of the basic scarcity problem faced by all societies: unlimited wants in pursuit of limited resources. This problem requires economic decisions on matters ranging from personal finance to international trade. Each decision involves both short and long-term benefits as well as costs. When we act upon our choice, the loss of the next best alternative is our opportunity cost. Individuals, households, businesses, and governments all face choices in attempting to satisfy unlimited wants from scarce resources. Successful economic decisions require a thorough examination of alternative choices and the anticipation of both intended and unintended consequences.

Some students believe that they can have all the goods and services they want from their families or from the government because goods provided by families or governments are free. But this view is mistaken. Resources have alternative uses, even if parents or governments own them. For example, if a city uses land to build a hockey rink, the best alternative use of that land must be given up. If additional funds are budgeted for police patrols, less money is available to hire more teachers. Explicitly comparing the value of alternative opportunities that are sacrificed in any choice enables citizens and their politicians to weigh the alternatives in order to make better economic decisions. This analysis also makes people aware of the consequences of their actions for themselves and others, and leads to a heightened sense of responsibility and accountability.

Governments, societies, and individuals experience scarcity because productive resources are limited and wants are unlimited. Federal, provincial, and local governments have limited budgets, so they must compare revenues to the costs when planning public projects.

Connections to GCOs and KSCOs

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate an understanding of culture, diversity, and world view, recognizing the similarities and differences reflected in various personal, cultural, racial, and ethnic perspectives. (Culture and Diversity)
- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)
- Students will be expected to demonstrate an understanding of the interdependent relationship among individuals, societies, and the environment - locally, nationally, and globally - and the implications for a sustainable future. (Interdependence)

KSCOs

By the end of grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

- analyse how economic decisions are made by individuals, organizations, and government, based on scarcity and opportunity cost

SCO 2: Students will be expected to analyse the relationship between limited resources and unlimited wants.

Outcomes

Delineations of the outcome include but are not limited to the following:

- Apply terminology such as limited and unlimited, resources, wants and needs to individual decision making
- From a historical perspective analyse causes of the relationship between wants vs needs
- Evaluate the consequences of all of individuals' wants having to be satisfied
- Evaluate factors which contribute to a person's preferences, priorities and willingness to try and acquire what they need and want in life.
- Describe impacts that changing demographics can have on economic goods and services that are most needed and wanted in society.
- Compare the lifestyle and standard of living of those in early societies with lifestyles today. Explain why a society cannot have everything that it wants in terms of goods and services.
- Explain how choices people make have both present and future consequences.

Suggestions for Teaching and Learning

- Students create a graphic organizer such as a T chart where they list on one side their wants and on the other, identify the force or factor influencing this choice of want. Use the T charts to generate a discussion regarding needs and wants.
- Students can interview patients or other adults and/or younger children to create lists with their own to determine differences and suggest why there are/aren't differences. A variation is to also ascertain the resources each could use to satisfy their wants.
- Students can use a budget simulation at Federal, Provincial or Municipal level to analyse how society matches resources and wants. A variation is to analyse a government budget
- Using a case study of a resource held in "common", e.g., fish stocks, analyse the relationship between resources and wants from various perspectives (e.g., conservationist, harvesters, citizens) regarding resources held in "common" and those held "privately".

SCO 2: Students will be expected to analyse the relationship between limited resources and unlimited wants.

Suggestions for Assessment

Teachers can

- have students list four (4) resources and explain how each is limited in its own way and related to wants. Criteria that can be used for assessment include:
 - correct identification of resources
 - examples of limits of resources
 - related correctly to want

Students can

- identify and explain examples of how individuals and/or societies live beyond one's means (limited resources) and the consequences of these decisions.
- Using a decision making model, students can determine how they would allocate their limited resources to meet their wants.

Notes and Resources

- Statistics Canada web site
- CFEE publication Money and Youth
- Opportunity costs US lesson on education: <http://ecedweb.unomaha.edu/lessons/lesson15.htm>
- Olympic costs lesson: http://www.economicamerica.org/econedlink/minute/archive/minute_980208.html
- Scarcity: <http://amos.bus.okstate.edu/guide/FT01.html>
- Subjective value: <http://amos.bus.okstate.edu/guide/FT02.html>
- Life is not fair: <http://amos.bus.okstate.edu/guide/FT03.html>
- Social Education October, 1997 "Who worries about the future of chickens as a species" Wentworth et al.

SCO 3: Students will be expected to explain how opportunity cost affects economic decisions.

Every time a choice is made, an opportunity cost is incurred. Opportunity cost refers to the value of what is given up when an economic choice is made. The quality of individual decision making is crucial to the effective operation of the economic system and to the personal well being of its members. Consumer decisions regarding the purchase, use, and disposal of goods and services are shaped by economic forces. As workers, consumers, savers, and investors, individuals confront scarcity and the opportunity costs (loss of the next best alternative) of their choices on a regular basis.

Students face many choices every day. Is working at a fast food restaurant better than the best alternative job or some other use of their time? Identifying and systematically comparing alternatives enables students to make informed decisions and to avoid unforeseen consequences of choices they or others make. To make decisions that provide the greatest possible return from the resources available, people and organizations must weigh the benefits and costs of using their resources. For example, to use their time effectively, students must weigh the additional benefits and costs of spending another hour studying economics rather than listening to music or talking with friends on the phone or computer. School officials must decide whether to use some school funds to buy more books for the library, more equipment for their sport teams, or more resources for teachers to use in their classrooms.

Families must decide on the best use of their resources by setting priorities. Companies must choose which products to make and whether to increase or decrease the amount they produce. Government officials must decide which public spending programs to increase and which ones to decrease and perhaps eliminate.

Focusing on changes in benefits and comparing them to changes in costs is a way of thinking that distinguishes economics from most social sciences. In applying this approach, students should realize that it is impossible to alter how resources were used in the past. Instead, past decisions only establish the starting points for current decisions about whether to increase, decrease, or leave unchanged resource levels devoted to different activities.

Connections to GCOs and KSCOs

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs:

- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society (Individuals, Societies, and Economic Decisions)
- Students will be expected to demonstrate an understanding of the interdependent relationship among individuals, societies, and the environment - locally, nationally, and globally - and the implications for a sustainable future.
- Students will be expected to demonstrate an understanding of the interactions among people, places, and the environment (People, Place and Environment)

KSCOs:

By the end of grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

- analyse how economic decisions are made by individuals, organizations, and governments, based on scarcity and opportunity cost
- apply knowledge of economic concepts in developing a response to current economic issues such as disparity and sustainability.

SCO 3: Students will be expected to explain how opportunity cost affects economic decisions.

Outcomes

Delineations of the outcome include but are not limited to the following:

- Explain the concept of opportunity cost.
- Identify the opportunity costs of making a variety of decisions.
- Evaluate how to make an economic decision based on a specific set of criteria.
- Identify gains and losses when choices are made.
- Identify present day choices that have important future consequences.
- Identify past choices that affect the present in individual, and societal contexts.

Suggestions for Teaching and Learning

Teachers can

- present students with the scenario that upon graduation they will have three (3) choices:
 - entry level job
 - post-secondary education
 - travelHaving chosen one, students must determine the opportunity costs of their decision.
- Pose a problem; look at a minimum of at least four alternatives; weigh each decision based on alternatives. Give value from +2 to -2 based on goodness or badness of each decision, then make economic choices. Land issue—several alternative uses such as a) a parking lot, b) an apartment building, c) an office building, d) a multi-level parking garage, e) as parkland or f) as a playground. Identify that choices involve trading off the expected value of one opportunity against the expected value of its best alternative.
- Determine criteria for selecting a product such as a stereo and identify the trade-offs made when selecting one stereo over another and the potential if the stereo is not purchased.

SCO 3: Students will be expected to explain how opportunity cost affects economic decisions.

Suggestions for Assessment

Teachers can

- Explain how a high school senior's decision to work 20 hours per week during the school year could reduce their lifetime income. Also explain how an increase in the legal minimum wage aimed at improving the financial condition of some low income families could actually reduce the income of some minimum wage earners. The evaluation of choices and opportunity costs is subjective: such evaluations differ across individuals and societies .
- Pose a problem and look at both sides or several sides to an issue. Make a decision based on set criteria (e.g., user fees for outdoor fields on the Halifax Regional Municipality, provincial/federal budget surpluses, where is the money needed most, future individual educational, requirements, etc.

Individual decision in their life (e.g., part time job) and explain the opportunity cost.

Students can

- research statistical information (e.g. Stats Canada, government agencies, federal/provincial budget documents) to determine societal, political, and technological influences that have changed opportunity costs over a two (2) to three (3) decade era. Report topics may include but are not limited to the following:
 - emergence of two (2) income families
 - emergence of one (1) parent families
 - federal social programs
 - emergence of the home office

The report may be assessed on the following criteria:

- variety and validity of information sources
- application of concept of opportunity cost
- support for the conclusion
- Apply the concept of opportunity costs to a decision made by the local community.
- Use the federal budget and the issue of distribution surplus from opportunity cost with many worthwhile alternatives.

Notes and Resources

- CFEE publication Youth and Money
- World bank: <http://www.worldbank.org/>
- Free enterprise lesson: <http://ofcn.org/cyber.serv/academy/ace/soc/cecsst/cecsst225.html>
- Privatizing schools lesson: <http://ecedweb.unomaha.edu/lessons/lesson19.htm>
- Different economies (Hong Kong): http://www.economicsamerica.org/econedlink/minute/archive/minute_981228.html
- The Ukraine lesson: http://www.economicsamerica.org/econedlink/minute/archive/minute_981130.html
- Opportunity costs US lesson on education: <http://ecedweb.unomaha.edu/lessons/lesson15.htm>
- Olympic costs lesson: http://www.economicsamerica.org/econedlink/minute/archive/minute_980208.html
- Opportunity costs lesson: <http://www.economicsamerica.org/econedlink/cyber/teach/opportunity.html>
- Decisions and their costs: <http://amos.bus.okstate.edu/guide/FT06.html>

SCO 4: Students will be expected to compare how different economic systems respond to scarcity.

Individuals, businesses, and governments construct systems for producing, distributing, and consuming goods and services. These systems coordinate economic decisions, facilitate exchange, and encourage specialization in the marketplace. They are constantly evolving as we continue to confront scarcity. Individuals and organizations routinely use different decision making systems dealing with their own scarce resources to determine what should be produced, how it should be produced, and who will consume it. Most high school students already understand the major advantages and disadvantages of selling concert tickets using a first-come-first-served system, rather than a lottery, to select from among those who applied for tickets.

Economic systems develop to enable societies to determine what goods and services will be produced, how they will be produced, and for whom they will be produced. An economic system can be described as the collection of institutions, laws, activities, and economic incentives that govern economic decision making. Types of economic systems include traditional, market, command, and mixed (modified). Understanding the nature of different economic systems is essential to understanding the function of economies as a whole and the Canadian system in particular.

Connections to GCOs and KSCO

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs:

- Students will be expected to demonstrate an understanding of the rights and responsibilities of citizenship and the origins, functions, and sources of power, authority, and governance. (Citizenship, Power and Governance)
- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society (Individuals, Societies, and Economic Decisions)
- Students will be expected to demonstrate an understanding of the past and how it affects the present and the future (Time, Continuity, and Change)

KSCOs:

By the end of grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

- analyse how economic decisions are made by individuals, organizations, and governments, based on scarcity and opportunity cost
- assess the role played by economic institutions and examine their impact on individuals and on private and public organizations
- evaluate the differences among traditional, command, and market economic systems and explain the development of “mixed” economies.

SCO 4: Students will be expected to compare how different economic systems respond to scarcity.

Outcomes

Delineations of the outcome include but are not limited to the following:

- define economic system
- describe the different economic systems
- Compare the relative advantages and disadvantages of a market economy, a command economy and a mixed economy
- analyse the questions/decisions that confront each economic system; questions such as What goods and services will be produced? How will the goods and services be produced? How will the goods and services that are produced be distributed among those who might want them? Who will consume the goods and services produced?
- compare how different economic systems address certain economic problems
- compare how each economic system operates today vs. theory
- use economic criteria to evaluate the functioning of different economic systems. Evaluate the components of various economic theories and their effect on the development of modern economic systems.

Suggestions for Teaching and Learning

In a think pair share students can develop the concept of economic system using family and community as focus. The basic economic questions can be adapted to prompt and focus the discussion.

- Teachers can assign either individually or in groups students to research selected countries of the world as to the type of government they have and how they answer the main economic questions and other items such as main industries and percent of and value of GNP produced by each, per capita or average income of each country, number of people employed/unemployed either by industry or for the country as a whole, main natural resources and their value, currency of each country (its exchange rate with Canada perhaps), main exports and imports of the country and who their main trading partners are, and the per capita GNP to name a few. Based on the research, students individually or in groups can then answer the following questions and present their findings to the class:
 - What goods and services will be produced?
 - How will the goods and services be produced?
 - How will the goods and services that are produced be distributed among those who might want them?
 - Who will consume the goods and services produced?
- Based on the presentations, students can then create a graphic organizer that illustrates how the different economic systems respond to scarcity.

SCO 4: Students will be expected to compare how different economic systems respond to scarcity.

Suggestions for Assessment

Developing broad based criteria such as freedom, stability, security, growth, equity in employment, sustainability, students may compare the advantages and disadvantages of the economic systems.

- Examine economic systems used in different countries, select the one that provides the most effective method for allocating resources and explain why this method is effective.
- Assess the effectiveness of various economic systems for allocating things such as organ transplants, hunting and fishing licenses, elective offices, time with a parent, and access to hospital beds.
- After students participate in classroom activities to develop research skills, assign independent projects such as the following to assess the extent to which they have accomplished the outcomes for applied research. Research and report on the need for and cost of installing or replacing a specific infrastructure element. Reports should outline alternatives; make recommendations; and include analyses of demographics, employment, public debt, and the potential for private and public financing.
- Answer the basic economic questions while producing a simple classroom product, such as yarn bracelets, greeting cards, or decorations for a school dance.
- Compare and contrast how people make economic decisions in traditional, command and market economies. Demonstrate their understandings in non-written form, e.g., collage, graphic organizer.

Notes and Resources

Sunshine sketches, Canada and the World, 481 University Ave., Toronto, Ont. M5W 1A7

- video: *Socialism* (National Geographic Society, Media Library, LRT, 21978)
- *Capitalism* (National Geographic Society, Media Library, LRT, 21977)
- World bank: <http://www.worldbank.org/>
- Free enterprise lesson: <http://ofcn.org/cyber.serv/academy/ace/soc/ccsst/ccsst225.html>
- Privatizing schools lesson: <http://ecedweb.unomaha.edu/lessons/lesson19.htm>
- Different economies (Hong Kong ex.): http://www.economicsamerica.org/econedlink/minute/archive/minute_981228.html
- The Ukraine lesson: http://www.economicsamerica.org/econedlink/minute/archive/minute_981130.html
- CIA World Fact Book: <http://www.odci.org>

SCO 5: Students will be expected to evaluate the Canadian mixed market economy response to the economic problem of scarcity.

The Canadian economy uses a mixed (modified) market system to make many allocation decisions, and it is important for students to understand why this system is used. Students also should be able to compare the characteristics of a market, mixed market, and command used in some other countries. With this understanding, students can assess the benefits and costs of alternative allocation systems when discussing difficult questions such as how incomes should be divided among people or who should receive a kidney transplant and who should not. Producers create goods and services and consumers make economic choices about which ones to purchase. The government provides goods and services and pays for them with taxes (e.g., police force, fire fighting). Sometimes, however, private businesses offer these same goods and services for profit.

Connections to GCOs and KSCOs

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs:

- Students will be expected to demonstrate an understanding of the rights and responsibilities of citizenship and the origins, functions, and sources of power, authority, and governance. (Citizenship, Power and Governance)
- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society (Individuals, Societies, and Economic Decisions)
- Students will be expected to demonstrate an understanding of the past and how it affects the present and the future (Time, Continuity, and Change)

KSCOs:

By the end of grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

- assess the role played by economic institutions and examine their impact on individuals and on private and public organizations
- evaluate the differences among traditional, command, and market economic systems and explain the development of “mixed” economies.
- analyse how government, monetary, and fiscal policies, regulations, and trade agreements influence production and distribution of wealth.

SCO 5: Students will be expected to evaluate the Canadian mixed market economy response to the economic problem of scarcity.

Outcomes

Delineations of the outcome include but are not limited to the following:

identify the main characteristics of the Canadian economy

- Explain why Canada's economic system is described as a mixed (modified) market economy by
 - explaining the role of government in our economy
 - outlining the main characteristics of the Canadian economy
 - explaining why some goods and services in Canada are produced by both governments and private producers
- outline the economic philosophies and factors behind government decision making

Suggestions for Teaching and Learning

Teachers can have students in groups or as individuals research new France of 1700s, the Inuit pre 1900, and WWII Canada to answer the basic economic questions:

- What goods and services will be produced?
- How will the goods and services be produced?
- How will the goods and services that are produced be distributed among those who might want them?
- Who will consume the goods and services produced?

Then using a graphic organizer, students can compare the responses of these communities to scarcity with that of current Canadian society. Students can present their findings to the class.

- Using selected examples such as Air Canada, CN Rail, CBC, NS power, Hydro-Quebec, Devco, Sysco, Canadair, Canadian Arsenals, etc. students can research one (1) or more to determine:
 - why government started this business
 - the background\era
 - how each business answered the basic questions
 - current status
 - change over time/ why?
 - projected future

Then as a class develop a consensus as to why these corporations were developed, why change is underway, and what is the future for government owned and operated businesses.

- In a brainstorm, students can begin to identify examples of government regulations of the economy that impact on them. From the ideas, in whole class discussion, organize the brainstorm into categories, e.g., hours of business (Sunday shopping), minimum wage, safety regulations (fire retardant in children's clothing), quotas, (e.g. agricultural and import), helmet laws (e.g. motorcycle and bicycle). Then using selected examples, students can explain how and why these regulatory actions impact on the economic problem of scarcity. Students should include suggestions as to the effect elimination of these regulatory powers would have in the economy.

Teachers may invite a guest speaker or speakers to discuss with the class the issue of "privatization" of government responsibilities (e.g. health care).

Preliminary activities with the students may include:

- determining who is invited (a balance of the issue)
- researching the issue to develop questions for the speaker(s)
- assigning responsibilities for inviting, greeting, introducing, and thanking the guest speaker(s)

SCO 5: Students will be expected to evaluate the Canadian mixed market economy response to the economic problem of scarcity.

Suggestions for Assessment

Teachers can have students analyse the impact of economic change by researching historic trends in different economic categories (e.g., women in the work force, the per capita income of Aboriginal people). As an extension, invite guest speakers to discuss the impact of economic change on their lives. Students can present their findings in the form of a collage or other visual representation.

- Using a selected era in Canada's past, in a written report students can explain how the economic system of the time answered the basic economic questions and compare that response with that of today's economy. Criteria for assessment may include but not limited to:
 - historical accuracy
 - all basic questions are answered
 - use of multiple resources
 - similarities and differences are clearly delineated
- In a position paper, students can address whether or not government response to the economic problem of scarcity should include government owned business.
- Students can analyse the impact of mixed market economy response (government policies) to the economic problem of scarcity by researching and reporting on historic trends in different economic categories (see Stats Can). Examples may include but are not limited to:
 - percentage of women in the work force
 - per capita income in relation to ethnicity, race, and gender
 - variation in family composition

Notes and Resources

The Canadian Economy filmstrip

- Department of Finance:
<http://www.fin.gc.ca>
- Street Cents Online:
<http://www.halifax.cbcc.ca/streetcents/>
- Government of Canada Programs and Services:
http://canada.gc.ca/programs/pgrend_e.html
- Statistics Canada:
<http://www.statcan.ca/start.html>
- Industry Canada:
<http://info.ic.gc.ca/cm/b/welcomeic.nsf/pages/02engfr.htm>
- Industry Canada's Strategies page:
<http://strategies.ic.gc.ca/engdoc/main.html>
- Department of Finance:
<http://www.fin.gc.ca>
- Government role in business:
<http://amos.bus.okstate.edu/guide/FT05.html>
- video: *New economy, part 1 and 2* (Global Television, Media Library, LRT, V2180 and V2179)
- Canada's Economy: An Activity Approach (W.E. Jennings, P.C. Moffatt, E.G. Staunton)

SCO 5: Students will be expected to evaluate the Canadian mixed market economy response to the economic problem of scarcity.

Outcomes

Delineations of the outcome include but are not limited to the following:

(Continued)

Demonstrate how Canada's mixed (modified) market economy answers each of the basic questions of economics (e.g., What goods and services will be produced? How will the goods and services be produced? How will the goods and services that are produced be distributed among those who might want them? Who will consume the goods and services produced?)

- evaluate how Canada has historically answered the basic economic questions using the Inuit and the economy of New France and World War II as examples
- compare the concepts of "economic rights" and "economic responsibilities" when it comes to the use of, and care for Canadian resources

Suggestions for Teaching and Learning

SCO 6: Students will be expected to distinguish between economics as a field of inquiry and the work of economists.

Because human, natural, and capital resources are scarce, individuals, households, businesses, governments, and societies must make economic choices about their alternative uses. Economic choices are influenced by economic incentives to use resources efficiently. All economic choices have opportunity costs with consequences. Technology, the division of labour, specialization, and investment in human and physical capital affects productivity, economic growth, levels of employment, equity, efficiency, and stability. Productive resources (land, labour, capital) are limited and do not satisfy all our wants. Students may explore the career field that is economics as a theoretical and analytical profession.

Connections to GCOs and KSCOs

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs:

- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society (Individuals, Societies, and Economic Decisions)
- Students will be expected to demonstrate an understanding of the past and how it affects the present and the future (Time, Continuity, and Change)

KSCOs:

By the end of grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

- apply knowledge of economic concepts in developing a response to current economic issues such as disparity and sustainability
- identify the criteria that one might use to judge the health or success of the economy

SCO 6: Students will be expected to distinguish between economics as a field of inquiry and the work of economists.

Outcomes

Delineations of the outcome include but are not limited to the following:

analyse a variety of explanations and definitions of what is the study of economics

- explain the factors of production and how they relate to economic study
- describe what economists do and career options in economics
- outline the strengths, limitations, and biases of economic research tools
- analyse the reasons for disagreement among economists on various economic issues
- graph and interpret a production-possibility curve
- explain the relationship among the production-possibility curve, scarcity, choice, and opportunity cost
-

Suggestions for Teaching and Learning

Students can research (from a teacher developed list) an economist (e.g. Nobel Prize Winners) and prepare a visual for inclusion in a bulletin board of economists that can be posted in the classroom. The visual should include picture and brief explanation of their work and ideas. Then the teacher may in a mini-lecture outline the key ideas of Adam Smith, John Maynard Keynes, and Karl Marx. Through discussion and analysis, the students would place their “economist” on the continuum of Marx-Keynes-Smith and explain their reasoning to the class.

- Using an everyday example such as “going to a pizza shop” have students brainstorm all resources used in the production of the pizza. Then in whole class discussion, lead students to categorize their ideas under the headings of:
 - renewable and non-renewable resources (land)
 - mental and physical resources (labour)
 - capital resources (fixed and working capital)
 and relate their findings to the economic theory of the economists they researched.
- The teacher may provide a demonstration of the production-possibility curve (diagram) to illustrate a number of concepts. Then ask students to provide practical examples from their daily life that exemplify the concepts.
- In a think pair share students can brainstorm practical examples from their lives regarding social science, factors of production, production possibility curve, micro and macro economics, types of capital, types of resources, scientific methods, ceteris paribus, fallacy of compositions, post-hoc fallacy, and the law of diminishing returns.
- Teachers may invite a professional economist to speak to their class on economics as a career option. Preliminary activities with the students may include:
 - determining who is invited
 - assigning responsibilities for inviting, greeting, introducing, and thanking the guest speaker(s)
 - researching economic career options to generate a list of potential questions (e.g. type of work, necessary education, importance of the economist’s role in business, the role of theory in daily application, and the strengths, limitations, and biases of economic research tools.

SCO 6: Students will be expected to distinguish between economics as a field of inquiry and the work of economists.

Suggestions for Assessment

Teachers can have students develop a collage on “What is economics?” Criteria that may be used to assess the student response would include but not be limited to the following:

- representative of the different aspects of economics
- variety of picture/text
- presentation/style
- oral presentation
- Teachers can have students identify a product (non-food) that they use regularly and create a graphic organizer demonstrating the range of resources needed to produce the product. Criteria that may be used to assess the student response would include but not be limited to the following:
 - includes all aspects of land, labour, and capital
 - land, labour, and capital are correctly classified
 - organizer reflects the range of resources needed
- Selecting a current issue teachers can have students outline the perspective that an economist would bring to the research and analysis of this issue. Criteria that may be used to assess the student response would include but not be limited to the following:
 - application of key concepts (e.g. needs/wants, opportunity cost...)
 - use of research tools/models
 - presenting alternatives
 - present versus future implications

Notes and Resources

World bank:

<http://www.worldbank.org/>

- Great economists and Their Times document: <http://ecedweb.unomaha.edu/ve/library/GETT.PDF>
- Statistics Canada: <http://www.statcan.ca/start.html>
- Economic Indicators lesson: http://www.economicamerica.org/econedlink/minute/archive/minute_990312.html
- Economics of voting lesson: <http://www.economicamerica.org/econedlink/minute/teacher/T981102.html>
- Economic statistics discussion: <http://amos.bus.okstate.edu/guide/IS10.html>
- Economic forecasting activity: <http://amos.bus.okstate.edu/guide/IS08.html>
- Different political views: <http://amos.bus.okstate.edu/guide/IS29.html>
- *Census Bureau 1991 Census Teacher's Kit* (Statistics Canada, 1991)
- *Canada's Resource Industries* (CFEE)
- Duke University - Pictures of Economists <http://www.>

SCO 6: Students will be expected to distinguish between economics as a field of inquiry and the work of economists.

Outcomes

Delineations of the outcome include but are not limited to the following:

(continued)

classify the types of economic resources and determine the types of income derived from each

- define the law of diminishing returns, using an example of conditions under which it would apply
- identify and analyse key economic indicators and trends within an economic context both historical and current
- describe how economic performance is monitored, measured, and reported
- Explain why it is necessary to make certain assumptions when developing economic theories.

Suggestions for Teaching and Learning

SCO 6: Students will be expected to distinguish between economics as a field of inquiry and the work of economists.

Suggestions for Assessment**Notes and Resources**

Market

The concept of a market examines what is a market, different forms of a market, the relationship between supply and demand and the determination of price in a market and the effects of competition in a market. The different forms of business organizations in Canada and the role different levels of government play in our economy are examined. A market exists whenever buyers and sellers exchange goods and services. Markets are not tied to any particular physical location and do not require direct contact between buyers and sellers. The market for particular goods or services may include buyers and sellers from around the world. Exchanges can be made electronically and money can change hands almost instantaneously through the use of computer technology.

Students will be expected to

- demonstrate an understanding of the economic concepts of a market.
- demonstrate an understanding of the constantly changing relationship between supply, demand and price in the market.
- analyse the effect of competition in the market.
- identify and compare the variety of business organizations in the Canadian market.
- demonstrate an understanding of the impact that various types of markets have on consumers.
- examine the role played by governments in the Canadian market.

SCO 7: Students will be expected to demonstrate an understanding of the economic concepts of a market.

A market exists whenever buyers and sellers exchange goods and services. Markets are not tied to any particular physical location and do not require direct contact between buyers and sellers. The market for particular goods or services may include buyers and sellers from around the world. Exchanges can be made electronically and money change hands almost instantaneously through the use of computer technology.

Connections to GCOs and KSCOs

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)

KSCOs

By the end of grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

- analyse the dynamics of the market in the local, national, and global economy

SCO 7: Students will be expected to demonstrate an understanding of the economic concepts of a market.

Outcomes

Delineations of the outcome include but are not limited to the following:

Define the concept of a market.

- Define demand and supply.
- Provide examples of the ways in which inventions and changes in technology can affect the economic choices that are available in a society.
- Examine the role advertising plays in the market.
- Relate the concept of a market to real-world markets such as the stock, labour market, and black market.

Suggestions for Teaching and Learning

- Brainstorm to identify different types of markets. Students will write down the types of markets they have already participated in. Using a flow chart, show the relationship between supply and demand using a product/services ex. (Orange juice) Identify the various forms of advertising and how it impacts on the market (demand).
- Teachers can have students brainstorm the different types of markets. From the brainstorm develop a graphic organizer that demonstrates the types of market and the connections. Note: it may be helpful to have students at this point identify the types of markets in which they have already participated. Using a jigsaw format, students can research and report on the markets. In summative activity, identify the economic concepts common to each market.

Students can

- identify the various forms and approaches of advertising and analyse how they impact on consumers in the market. Suggest start with youth-orientations.
- research how access to markets provided by developments in information technology (extension: use various forms and charges to communicate and transportation technology) affect individuals and b? In a variety of markets. Note: attend to the dynamics of change that technology can bring to markets e.g., e-commerce
- Teachers can demonstrate through a flow chart the relationship between supply and demand using a product that all students would know/use.
- Then in teams, assign students to develop similar flow charts, on various products and services from a variety of markets.

SCO 7: Students will be expected to demonstrate an understanding of the economic concepts of a market.

Suggestions for Assessment

Use criteria such as the following to assess a research project:

- questions and issues are clearly and effectively stated in economic terms
- research plan, including instruments required, is thorough and appropriate
- sources are credible and relevant
- data are presented clearly; economic graphs are used effectively
- statistical analyses are accurate and relevant
- analyses and conclusions are logical and defensible
- interpretation includes strengths and limitations of the research tools and economic data
- Analyse advertisements, consider personal finances (including the importance of savings, investment, use of credit), and examine opportunity cost to develop an understanding of what the informed consumer. Develop a collage of goods/services to demonstrate their understanding.
- List products/services from your local area and have students identify who is the typical consumer and who supplies the good/service
 - Understanding of key concepts (product/services)
- Students are to interview individuals, e.g., parents, grandparents from various generations to determine what their demands were when they were teenagers and compare to your demands. Write a report:
 - identifying the various goods/services changes
 - reasons for the changes
 - predicting future needs/wants
- Teachers may identify specific categories eg. entertainment, school related, transportation, food, etc.) Evaluate the effectiveness of and identify who they are targeting as a consumer (use videotaped ads, print ads, radio ads). Evaluation : Critical analysis of the ads, identified target market and recommend changes or effectiveness of the ad reaching the audience.

Notes and Resources

Street Cents Online:

<http://www.halifax.cbc.ca/streetcents/>

- Stock market lesson Plan:
<http://ofcn.org/cyber.serve/academy/ace/soc/cecsst/cecsst044.html>
- Learning about the stock market lesson plan:
<http://ofcn.org/cyber.serve/academy/ace/soc/cecsst/cecsst156.html>
- Consumer behaviour lesson:
<http://ecedweb.unomaha.edu/lessons/feusA.htm>
- Risk-It Simulation:
<http://ecedweb.unomaha.edu/ve/library/RISK.PDF>
- Stock graph info:
<http://www.stockmaster.com/>
- Stock market lesson:
<http://www.col-ed.org/cur/sst/sst156.txt>
- Stock market lesson:
http://ericir.syr.edu/Virtual/Lessons/Social_St/Economics/ECO0009.html
- Spend or save consumer lesson:
<http://www.plan.ml.com/family/teachers/save.html>
- Beanie baby shortage lesson:
<http://www.economicsamerica.org/econedlin>

- k/minute/teacher/T971208.html
- video: *New Nova Scotia* (NS Government Services, Media Library, LRT, V8388)
- video: *Christmas Tree Farming in Nova Scotia* (NS Government Services, Media Library, LRT V8366)
- video: *Atlantic Salmon* (Media Library, LRT, V8303)
- video: *Hog Tied* (CBC, Media Library, LRT, V0420)
- video: *Cohasset Project* (Creative Media, Media Library, LRT, V1320)
- video: *New Economy*, part 1 and part (Global Television, Media Library, LRT, V2180)
- Advertising discussion: <http://amos.bus.okstate.edu/guide/IS01.html>
- *Money and Youth* (CFEE)

SCO 8: Students demonstrate an understanding of the constantly changing relationship between supply, demand and price in the market.

The dynamics of supply and demand are basic to the operation of an economy. The principles help to explain and answer the basic questions which each type of economy asks. Demand and supply help to determine how much of a good or service will be produced and at what price it will be sold. The laws of supply and demand help explain why consumers, businesses and governments make the choices they do as well as assisting in an understanding of the motives used by business in choosing what to produce, how much to produce, how to market their product and what price to sell it for.

In Canada's mixed (modified) market economy there is not a national planning committee that decides how many different kinds of soft drinks are produced, how many bicycles are manufactured, how many children's toys are produced, or what the prices will be for these or any other product. Students should understand that, instead, most prices in our economy are established by an interaction between buyers and sellers. Understanding how market prices and output levels are determined helps people anticipate market opportunities and make better choices as consumers and producers.

Connections to GCOs and KSCOs

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)
- Students will be expected to demonstrate an understanding of the past and how it affects the present and the future. (Time, Continuity, and Change)

KSCOs

By the end of Grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

- analyse how economic decisions are made by individuals, organizations, and government, based on scarcity and opportunity cost
- evaluate the consequences of the consumer oriented society
- analyse the dynamics of the market in the local, national, and global economy

SCO 8: Students demonstrate an understanding of the constantly changing relationship between supply, demand and price in the market.

Outcomes

Delineations of the outcome include but are not limited to the following:

- Explain and graphically illustrate the law of demand and the inverse relationship between price and quantity
- Explain and graphically illustrate the direct relationship between supply and price
- Understand the interaction between supply, demand, and price
- Demonstrate an understanding that when $Q_d > Q_s$ then P rises and when $Q_s > Q_d$ then P decreases.
- Demonstrate an understanding that the market will move towards the equilibrium price and quantity
- Demonstrate the difference between a shift in demand or supply, and a change in quantity demanded or quantity supplied.

Explain the reasons for a movement along (up or down) a supply or

Suggestions for Teaching and Learning

demonstrate how to plot a demand and supply curve and analyse the curves. Define and illustrate surplus and shortage as it relates to supply and demand and how the market response.

Using concrete examples (i.e., discman's cigarettes, gasoline, oranges) show shifts in the demand and supply curves

Play a market game (ex. Bizzball CFEE)

review sampling techniques to gather information for a survey

- demonstrate how people's willingness to acquire a good or service, at a price, is the key factors determining what is produced in the Canadian economy- that is, consumers are the primary influence on producers. Use a variety of examples.

demand schedule versus
a movement to a new
supply or demand
schedule.

Demonstrate that
elasticity is a response to
a change in price.

(Elasticity, inelastic,
unitary elasticity)

Demonstrate the
importance of income
elasticity

Understand the concept
of price elasticity and
recognize its
determinants

SCO 8: Students demonstrate an understanding of the constantly changing relationship between supply, demand and price in the market.

Suggestions for Assessment

Determine whether a given event would make the supply of an item more elastic or less elastic.

Explain with the aid of a graph how a market will adjust to an increase in demand, a decrease in demand, an increase in supply and a decrease in supply for a particular product

understand the concept of price elasticity and recognize its determinants.

Plot a demand and supply curve from a demand schedule and supply schedule.

Analyse the results :specific questions

Students will sketch scenarios of shift in supply and/or demand and explain the results.

In groups, have students survey the demand for and supply of a product/service (ex. Pizza) at various prices and have students plot, analyse, and report on their findings.

Explain why there is often a late season surplus of tickets available for the home contests of a baseball or hockey team that loses most of its games.

Identify examples of products for which the price fell because sellers were unable to sell all they had produced; identify examples of other products for which the price rose because consumers wanted to buy more than producers were producing.

Predict the change in demand for a particular brand of jeans when an extensive and campaign for the brand targets teenagers, their allowances double, the price of corduroy pants, skyrockets, or jeans become a popular items among adults.

Predict the changes in supply and market price for domestic cars when the cost of labour increases, more robotics are used to produce cars, the price of domestic utility vehicles rise, or the number of imported cars increases.

Identify products that have become more or less expensive compared to other products as a result of changes affected production and consumption decisions. Research and analyse the impact.

Analyse, create and evaluate economic graphs on changes in supply and demand schedules.

To check on students' understanding of supply and demand, have them research and analyse the impact of the decision of the Organization of Petroleum Exporting Countries (OPEC) to raise oil prices. Assess the extent to which by:

use a variety of relevant, credible, and current resources

Notes and Resources

Supply and demand lesson:
http://ecedweb.unomaha.edu/Dem_Sup/demand.htm

Supply and demand lesson:
http://ericir.syr.edu/Virtual/Lessons/Social_st/Economics/ECO0011.html
Business Game- Junior Achievement "Binder with lessons on theory" and computer simulation

Bizzball (CFEE)

apply economic terms and concepts accurately

explicitly identify their assumptions

provide specific data to support their analyses

reach logical conclusions

Have students in groups examine supply and demand in an open market system. Ask each group to research and discuss salaries in a professional sport or in the music, TV, or film industries. Challenge them to account for the differences in salary levels paid to stars in various countries and occupations and why they vary by gender and by amateur or professional status. Then encourage students to examine the salary scales in career fields of their choice.

Develop a report on current, and possible future, conditions in a “market” for one or more occupations that are of interest.

Survey students in other classes at school regarding how many glasses of orange juice student would be willing and able to buy at various prices.

Analyse the data to show the relationship between price and quantity demanded. Identify the substitutes students use when the price is higher.

SCO 9: Students will be expected to analyse the effect of competition in the market.

Businesses compete with each other to try to gain a greater share of the market and increase profit. Each business attempts to keep their present customers happy and draw customers away from the competition, and to have customers who may have stopped buying their product to once again try their product. This is most evident in the auto sales market. For the majority of the consumers, price, quality, and service are the biggest motivating factors for repeat business. Businesses offer incentives, sometimes called “value plus” marketing for increase market share. Zellers, Canadian Tire, Petro Canada, to name a few, offer their customers something besides service, price, and good quality products. Air Miles, Aeroplan points, American Express privileges are all supposedly free offers to customers to remain loyal to specific businesses. The more competition in the marketplace the better it is for consumers. Whether it is searching for a mortgage at financial institutions, buying home heating fuel for your house or buying groceries for a family, competition keeps prices lower than if there was not a competitive market. As fewer businesses compete consumers have less choice as businesses have less incentive to provide the same level of service, quality and competitive pricing as in the past. WalMart enters the Canadian market, Kresge’s leaves, Sobeys acquires IGA (Oshawa group) and Loblaws becoming a bigger player in the grocery market in Atlantic Canada. Are all examples of effects of a competitive market.

Connections to GCOs and KSCOs

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)
- Students will be expected to demonstrate an understanding of the interdependent relationship among individuals, societies, and the environment - locally, nationally, and globally - and the implications for a sustainable future. (Interdependence)

KSCOs

By the end of Grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

- evaluate the consequences of the consumer oriented society
- analyse the dynamics of the market in the local, national, and global economy

SCO 9: Students will be expected to analyse the effect of competition in the market.

Outcomes

Delineations of the outcome include but are not limited to the following:

- Describe the pros and cons of competition among companies that are trying to attract consumers.
- Outline and evaluate the profit-maximizing assumption as it applies to businesses
- Explain how Canada's *Competition Act* attempts to address the arguments both for and against governments restricting mergers or large corporations.
- Describe methods traditionally used by governments to protect consumers against the market power of natural monopolies.
- Give reasons why governments have recently opened up some natural monopolies to competition and have privatized some government enterprises.

Suggestions for Teaching and Learning

Teachers can

have students brainstorm the various aspects of competition (price, product, quality, customer service, advertising, etc.). Students can supply examples from their experiences as consumers workers/ entrepreneurs in the market. Using a number of the student generated examples, have students in ? Pair/shares discuss how each exemplified competition.

Organize a market simulation in which the number of buyers is dramatically charged in each round. Students should discuss the impact of these changes on price.

Research Adam Smith's writings to determine if his view on the pursuit of self-interest in competitive markets are valid today.

Students can

provide examples that support and/or refute Smith's views. Note: Teachers may wish to provide an introduction to Adam Smith and his writings.

Divide the class into teams who research and report on the effect on the economy of

De-regulation of airlines for example

- a. Cable t.v. monopolies
- b. Electric power monopolies
- c. Competition among Internet servers.

- Compare the price of a variety of imported goods that compete in the market with Canadian goods.
- Explain the role of marketing boards in the Canadian economy
- The introduction of new products and production methods by entrepreneurs is an important form of competition and is a source of technological progress and economic growth.
- Explain the concept of economics of scale.

SCO 9: Students will be expected to analyse the effect of competition in the market.

Suggestions for Assessment

Debate the following statements:

removing rent controls in Toronto is good economics but bad politics.

Government should legislate a 10 per cent curbing on credit cards.

Electric power monopolies are inheritantly counter productive to the economy

e-commerce (Internet) is competition at its best.

Criteria for evaluation

correct use of economic concepts

relating competition in the market to the issue

logical, sequential arguments

In a journal entry, note the effect of competition or lack of it in the market during one day (week). Encourage students to broaden assessment from a narrow consumption basis to broader issues such as choice of schools/courses etc.

Predict events at a major sporting event if all ticket scalpers are only allowed to operate in one small area near the event.

Explain how a decrease in the price of VCRs can cause a decrease in the price of popcorn at movie theatres.

Students (groups) must product and sell a simple product, el., “sunflower seeds”. Every group tries to maximize profit. They must write a report on their sales strategy. (Price, product differentiation, place)

Notes and Resources

Consumerism and radio lesson:

<http://ofcn.org/cyber.serv/academy/ace/soc/cecsst/cecsst224.html>

- Business costs lesson:
<http://ecedweb.unoma-ha.edu/lessons/euse1.htm>
- Canadian Business map:
<http://strategis.ic.gc.ca/scdt/bizmap/engdoc/0.html>
- Mad cattlemen sue Oprah lesson:
http://www.economics-america.org/econedlink/minute/archive/minute_980202.html
- Price competition:
<http://amos.bus.okstate.edu/guide/IS35.html>
- *Economic Opportunities in a Multicultural Society* (CFEE)

SCO10: Students will be expected to identify and compare the variety of business organizations in the Canadian market.

In Canada's economic system there are several forms such as a sole proprietorship, a partnership, a corporation and a co-operative. Also there are government run business (crown corporations such as Ontario Hydro). Each has its own particular advantages and disadvantages and financial responsibilities with different degrees of risks and rewards.

Connections to GCOs and KSCOs

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)
- Students will be expected to demonstrate an understanding of the interdependent relationship among individuals, societies, and the environment - locally, nationally, and globally - and the implications for a sustainable future. (Interdependence)
- Students will be expected to demonstrate an understanding of the past and how it affects the present and the future. (Time, Continuity, and Change)

KSCOs

By the end of Grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

- analyse the dynamics of the market in the local, national, and global economy

SCO 10: Students will be expected to identify and compare the variety of business organizations in the Canadian market.

Outcomes

Delineations of the outcome include but are not limited to the following:

- analyse the advantages and disadvantages of each of the various business organizations
- identify the risks, returns and other characteristics of entrepreneurship that bear on its attractiveness as a career.
- describe the role of small business and entrepreneurship in the economy.
- Examine sources of financial assistance to small businesses.
- Assess the importance of Crown corporations in Canada's economy
- examine the control of large corporations within Canada
- Analyse the role of multinational businesses and conglomerates in our economy.
- Examine local co-operative enterprises and/or community economic

Suggestions for Teaching and Learning

students using graphic organizers can delineate and compare the various forms of business organizations. In a carousel they can then note the advantages and disadvantages of each noting local examples of each type

after research on franchises and franchising students can use a T chart to delineate the advantages and disadvantages of owning a franchise. An extension would be to have students invite local franchises to talk to the class in a panel for example about their experiences di-franchising. A comparison afterwards by students of what research told them and what the local franchises discussed would provide summation.

As a class develop a questionnaire regarding entrepreneurship and small business financing

type of business ownership

years in business

education

why successful

pros/cons of small business

Using the questionnaire they can in teams survey local business. Then collating their results, create a visual that demonstrates the key principals for a successful small business.

development
programs
throughout Nova
Scotia as to the
economic benefits
these agencies
provide.

- Distinguish between
limited and
unlimited liability
- explain how
corporations raise
capital

SCO 10: Students will be expected to identify and compare the variety of business organizations in the Canadian market.

Suggestions for Assessment

Prepare a case study of a particular business organization in the local area.

- develop collages that reflect the various rationale for business organizations
- research and report on the history of a selected crown corporation (e.g., CBC, CN, Petro Canada) with particular emphasis on why this corporation was created and current status.
- Read short biographies of several entrepreneurs, list the pertinent characteristics of each entrepreneur, and make a generalization about the non-financial incentives that motivate entrepreneurs and the risks or disincentives entrepreneurs face.
- Interview an entrepreneur to learn why he/she was willing to start a new business.
- Compare the advantages and disadvantages of a business progressing from a proprietorship to a corporation.
- Assess the main advantages and disadvantages of sole proprietorship versus partnerships.
- Explain how businesses, including sole proprietorships, partnerships, corporations, and franchises, are organized and financed in the Canadian economy.
- research a local co-operative enterprise and report to the class
- using a case study students will have to decide what form of business organization is most appropriate and justify their decision using information studied in class.

Notes and Resources

Economic video series (NFB)

- Co-op Atlantic website at www.co-op-atlantic.ca
- local Chamber Of Commerce
- Stock market lesson Plan:
<http://ofcn.org/cyber.serve/academy/ace/soc/cecsst/cecsst044.html>
- Stock market lesson:
<http://www.col-ed.org/cur/sst/sst156.txt>
- Stock market lesson:
http://ericir.syr.edu/Virtual/Lessons/Social_Science/Economics/ECO0009.html
- Learning about the stock market lesson plan:
<http://ofcn.org/cyber.serve/academy/ace/soc/cecsst/cecsst156.html>
- Risk-It Simulation:
<http://ecedweb.unoma-ha.edu/ve/library/RISK.PDF>
- Mergers and monopolies lesson:
http://www.economicsamerica.org/econedlink/minute/archive/minute_980511.html
- Bank mergers lesson:
http://www.economicsamerica.org/econedlink/minute/archive/minute_980413.html

- Establishing a business:
<http://ofcn.org/cyber.serv/academy/ace/soc/cecsst/cecsst111.html>
- Stock graph info:
<http://www.stockmaster.com/>
- Ups and downs of the stock market:
http://ericir.syr.edu/Virtual/Lessons/Social_Science/Economics/ECO0013.html
- Stock Market Game:
<http://www.col-ed.org/cur/sst/sst44.txt>
- Stock market price fall lesson:
http://www.economicsamerica.org/econedlink/minute/archive/minute_980907.html
- Stock market information:
<http://www.homeworkcentral.com/files.htm?fileid=42012&use=hc>
- Toronto Stock Exchange:
<http://www.telenium.ca/TSE/>
- guest speakers from different organizations
- Montreal Stock Exchange:
<http://www.me.org/cgi-bin/bdm?LNG=en&OPR=SOCI&REF>
- What is a stock or who owns McDonalds?:
<http://ecedweb.unomaha.edu/lessons/mark1.htm>
- Wilfred Laurie University Stock Market Competition:

- <http://invest.wlu.ca/index.shtml>
- Canadian Association for Business Economics:
<http://www.cabe.ca/>
- Stock Master:
<http://www.stockmaster.com/index.html>
- video: *Shutdown* (Media Library, LRT, V8849)
- Holt Stock Report:
<http://metro.turnpike.net/holt/index.html>
- Playing the stock market:
<http://amos.bus.okstate.edu/guide/IS38.html>
- Community Economic Development agency:
<http://www.hrda.ns.ca/ced.htm>
- *Entrepreneurship for Canadians: The Spirit of Adventure* (CFEE)
- *Coady Institute* (Nova Scotia Cooperatives Association)

SCO 11: Students will be expected to demonstrate an understanding of the impact that various types of markets have on Canadian consumers.

There are four types of market structures in the study of economics: monopolies, oligopolies, perfect competition and monopolistic competition. Firms in each different type of market structure will make their business decisions based on a different set of criteria. The degree of competition has a major influence on business decisions. In markets such as local phone companies, natural gas distribution, electricity or urban transit business decisions are based on monopolistic structure where as in a competitive market business decisions are based on competition from a few firms.

Connections to GCOs and KSCOs

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate an understanding of the rights and responsibilities of citizenship and the origins, functions, and sources of power, authority and governance. (Citizenship, Power, and Governance)
- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)

KSCOs

By the end of Grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

- evaluate the consequences of the consumer oriented society
- analyse the dynamics of the market in the local, national, and global economy

SCO 11: Students will be expected to demonstrate an understanding of the impact that various types of markets have on Canadian consumers.

Outcomes

Delineations of the outcome include but are not limited to the following:

Define, compare and contrast the differences between the four types of markets (monopoly, oligopoly, perfectly competitive, and monopolistic competitive.

- outline the major conditions that must be fulfilled for perfect competition to exist
- Explain why and under what conditions perfect competition provides an efficient use of productive resources.
- Outline four major characteristics of monopolistically competitive markets.
- Explain and analyse the main characteristics of oligopoly markets.
- Explain how and why governments regulate monopolies and oligopolies and evaluate the effectiveness of the measures.
- Analyse the concentration of

Suggestions for Teaching and Learning

Using a jigsaw, divide the class into groups who will research one of the four markets and present to class in a skit or other visual form the characteristic strategies and rationale of each type of market.

Students can research the history of key monopolies in the past (e.g., railroads, fur trade) in a brief report they should explain the rationale for the monopoly, the effect on consumers and socio-political repercussions. Then students can draw comparisons with current monopolies- e.g., cable, television using the “Seven Sisters” as an example, students can identify the types of competitive strategies that oligopolies tend to use and avoid. Students can then assess the effect of these decisions on consumers and the socio-political ramifications

using a T chart and Sable Gas as a focus, discuss the advantages and disadvantages of governments awarding one business sole rights to a resource (monopoly)

using the auto industry as an example of a monopolistic competitive market, students can through a study /research examples such as DeBorean Brichlin, Kaiser, etc., why the number of automakers is shrinking and the short, long terms effect for consumers

various types of
markets in the
Canadian economy.

SCO 11: Students will be expected to demonstrate an understanding of the impact that various types of markets have on Canadian consumers.

Suggestions for Assessment

Determine when a firm under perfect competition would operate at the break-even point and when it would shut down.

- Ask students to analyse the market implications if the average life expectancy was 119 years and mandatory retirement was at age 65. Discuss criteria such as
 - baselines are developed from credible data
 - projections are financially sound and based on defensible assumptions (e.g., rate of inflation)
 - analysis includes effects on employment, government debt, international trade, and the investment market
 - projections and conclusions are displayed effectively
- Ask students to choose a new market for an existing product and to analyse its impact on Nova Scotia industry. Assess student's ability to:
 - define the product and factors involved in its production and distribution
 - recognize the potential role of cultural norms
 - research and analyse demographic factors in the potential market
 - identify effects on employment
 - consider factors affecting the competitiveness of the Nova Scotia industry
 - analyse the effects of increasing dependence on an external market
- Compare and contrasting the characteristics of different market structures, including pure competition, oligopoly, monopoly, and monopolistic competition in a visual.

Each student is assigned a particular company to research. Based on this research they must decide what form of market type it falls into and justify their point.

Criteria may include:

number of employees

sales

customers

competition

barriers of entry to this industry

Notes and Resources

Monopoly markets:

<http://amos.bus.okstate.edu/guide/FT04.html>

- *Bizball* (CFEE)

SCO 12: Students will be expected to examine the role played by governments in the Canadian market.

Why does the government pay private construction firms to build roads and highways? Why do the firms that build the roads not own them themselves and charge tolls to users? All kinds of goods and services are produced and distributed through private markets, so why not roads and highways, too? In flipping through the pages of the telephone directory, we observe a vast array of businesses and government agencies. Why do markets work well to supply much of what we want, while failing to produce other things we want?

Citizens should understand the limitations and shortcomings of markets and how some government policies attempt to compensate for market failures. Learning the economic as well as the political and social reasons for public sector services helps citizens make better choices about the appropriate size and scope of markets and government. It is also important that students be able to evaluate redistributive effects of government programs.

Connections to GCOs and KSCOs

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate an understanding of the rights and responsibilities of citizenship and the origins, functions, and sources of power, authority and governance. (Citizenship, Power, and Governance)
- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)
- Students will be expected to demonstrate an understanding of the past and how it affects the present and the future. (Time, Continuity, and Change)

KSCOs

By the end of Grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

- analyse how economic decisions are made by individuals, organizations, and government, based on scarcity and opportunity cost

SCO 12: Students will be expected to examine the role played by governments in the Canadian market.

Outcomes

Delineations of the outcome include but are not limited to the following:

- Compare the role of government in the economy with the government's need to raise revenue from taxation

identify the various policy tools and programs that are available to a government to try to influence economic activity and outcomes in the nation.

Describe a variety of ways in which governments have worked to improve economic conditions, performance, and outcomes in the country.

Describe a variety of ways in which governments may have reduced or inhibited economic performance or accomplishment in the economy.

Examine the expenditures of various levels of governments in Canada

Explain sources of government revenue
Analyse the effects of taxes on different groups of people in the Canadian economy.

Suggestions for Teaching and Learning

- Using a carousel, students can identify the services and goods that various levels of government provide. A preliminary for this activity could be a web search for government department agencies or use of phone book.
- From the carousel develop a chart of levels of government and their functions
- From the chart, groups of students can conduct more research into these government functions. To perhaps focus the class, choose one level as the exercise is to examine the role played by that agency/department in the market. Research should focus on questions such as:
 - What is the rationale for this department/agency etc?
 - What is the current budget?
 - What is the mandate of this agency/department?
 - Hypothesize what would happen if this department/agency ceased to exist?
- Using recent budget documents students can develop a graphic organizer that demonstrates the various ways governments raise money. In an introduction to this exercise, students may total their spending/earnings for the week and identify what portion was revenue for government. This could lead into a discussion of taxation, taxation fairness and the needs or wants of society.
- In a mini-lecture, the teacher may outline Adam Smith's views on the role of government in the economy. Students can then create a scenario of what their society would be like if Smith's views became the rule. This may be an introduction to a debate on the role of government in the market/society. The level of student generated questions for debate would indicate their understanding of the complexity of the issue
- Choosing a current issue of government in the market (e.g, P-3 schools), students can compare and contrast the economic and political forces involved.
- Students can respond in writing to a number of "what if" questions, e.g.,
 - What if the federal government adopted a flat rate income tax of 20%?
 - What if municipal government privatized "policing", "fire service"?
 - What if consumption taxes were the only revenue source for government?
- Criteria for assessment may include:
 - repercussions to individuals
 - definition of applicable government role
 - implications of change for society addressed
- in a letter to the minister of finance, students will put forth a position as to whether the budget should be balanced or not with full discussion of the implications of their suggestion.
- Develop a time line that demonstrates the history of government involvement in the economy

Explains the principals
of budget surplus,
budget deficit, and a
balanced budget
Discuss the limitations
of fiscal policy.
Assess federal debt, its
growth, and problems
associated with it.
Demonstrate the effect
of governments
intervention in the
market on the economy
Describe the key roles
that governments can
play in the economy
(provide goods/services,
redistribute income,
regulations).
Explain why the
underground economy is
increasing in Canada
Distinguish between
debt and deficits.

SCO 12: Students will be expected to examine the role played by governments in the Canadian market.

Suggestions for Assessment

- Compare the general views of the major political parties in terms of the roles that they believe government should play in the economy
- Meet with one or more elected officials to discuss their views on the role of government in the economy
- Examine three government assistance programs, explain why government provides them, and determine which groups bear the costs to fund them.
- Explain why there is a role for government in dealing with pollution, vaccinations, and medical research. Recommend what this role should be.
- Analyse through independent research federal budget effects on the Canadian economy since 1967.
- Examine uses for a federal government surplus in a given year. What options might a government have? What priorities should a government put on reducing existing debt? What choices should they make? If you could influence government decisions what priorities would you set?
- Identify a variety of goods and services that are provided by governments in Canada and assess the extent to which they believe governments should be involved in producing goods and services.
- Compare a variety of initiatives that have been undertaken by governments in the past and present to try and influence the following:
 - the conditions of people living in poverty
 - the number of people living in poverty
 - level of unemployment
 - level of output in the economy

Notes and Resources

Department of Finance:
<http://www.fin.gc.ca>

- Government of Canada Program and Services:
http://canada.gc.ca/programs/pggrind_e.html
- Statistics Canada:
<http://www.statcan.ca/start.html>
- Industry Canada:
<http://info.ic.gc.ca/cm/b/welcomeic.nsf/pages/02engfr.htm>
- Industry Canada's Strategies page:
<http://strategis.ic.gc.ca/engdoc/main.html>
- Economics of voting lesson:
<http://www.economicsamerica.org/econedlink/minute/teacher/T981102.html>

Money

The final theme of Money examines the historical development of money, its forms and functions over time, what is considered money in the economy, and how the money supply is determined in Canada. The Canadian government's use of monetary policy is examined as well as inflation, deflation, and the importance of the Consumer Price Index as an economic measure. A major theme of this unit is the role various financial institutions including the Bank of Canada play in the Canadian economy. Methods of financial management and personal budgeting from a student's perspective and the power of investing, savings, and financial planning are all dealt with in this unit.

Students will be expected to

- Students will be expected to identify and explain the forms, functions, and characteristics of money and what constitutes the money supply in Canada.
- Students will be expected to demonstrate an understanding of the elements and relationships that affect Canadian monetary policy.
- Students will be expected to identify, evaluate, and practice methods of sound financial management on an individual basis.
- Students will be expected to analyse the methods of investing, borrowing, and the use of credit.
- Students will be expected to explain and analyse the purpose and functions of various financial institutions in the Canadian economy.
- Students will be expected to explain the Consumer Price Index and its role in the Canadian economy.

SCO 1: Students will be expected to identify and explain the forms, functions, and characteristics of money and what constitutes the money supply in Canada.

Over the course of time money has been represented by many different things such as shells, playing cards and even cigarettes in POW camps during the WW II. Students should know what historically has been accepted as legal tender in Canada, how and/or why we have shifted away from a paper currency to a one and two dollar coin and the future push towards a cashless society.

The Bank of Canada determines the appropriate amount of money required to be in circulation in the economy at any given time. There are several calculations of what constitutes the money supply in an economy with the most widely accepted being coins and currency and deposits in chequing accounts.

Connections to GCOs and KSCOs

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs

Students will be expected to demonstrate an understanding of the interdependent relationship among individuals, societies, and the environment - locally, nationally, and globally - and the implications for a sustainable future. (Interdependence)

KSCOs

By the end of grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

assess the role played by economic institutions and examine their impact on individuals and on private and public organizations

SCO: Students will be expected to identify and explain the forms, functions, and characteristics of money and what constitutes the money supply in Canada.

Outcomes	Suggestions for Teaching and Learning
<p><i>Delineations of the outcome include but are not limited to the following:</i></p> <ul style="list-style-type: none"> • explore and describe the historical development of money and banking in Canada • identify the forms of money in Canada • differentiate what is and what is not accepted as money and the reasons why • explain the characteristics/functions of money • Examine the positive aspects and the shortcomings of a barter system • describe the key roles that are played by money in the Canadian economy • differentiate between the most common calculations of the money supply in Canada • analyse the move toward a cashless society • examine the use of gold as a value of world currency, the advantages and disadvantages • evaluate the role, function, history, 	<ul style="list-style-type: none"> • Discuss or examine the origins of banking in Canada. • determine what is or isn't money (e.g., cheques, debits, credit cards, Canadian True Money, Air miles, Zellers points, playing cards) in a think/pair/share • develop a graphic organizer to demonstrate the pros and cons of paper, coins, and electronic forms of money • Have students on the computer, identify the source of most of the money in circulation in Canada as the Bank of Canada. • Using a time line, have students show how Canada and the world has evolved from a barter system to a paper currency and cashless society • Brainstorm the advantages and disadvantages of the cashless society • Money can be used to express the market value of different goods and services (unit of account) • Brainstorm examples like • doctor salary vs. clerk • NHL player vs. plumber • To explain how money can work in an economic system only when there is widespread confidence and willingness to accept it in exchange for goods and services have students role play buyers and sellers. Distribute to buyers monopoly money, Canadian Tire money, Canadian currency, apples and pastries. Allow students to buy and sell. Discover which currency is able to acquire the most goods. • Have students state the common characteristics of these currencies and identify one major difference. • Have students bring goods (e.g., pens, pencils, etc.) To class. The object of the activity is to acquire through bartering among themselves a specified set of goods. Discuss the pros and cons of bartering and why bartering is no longer viable in a modern sophisticated society.

and future of
currency in a global
economy.

SCO: Students will be expected to identify and explain the forms, functions, and characteristics of money and what constitutes the money supply in Canada.

Suggestions for Assessment

Teachers can have students

- do an oral presentation on the advantages and disadvantages of bartering
- research and report on the legal tender of selected nations
- Explain how life might change for a doctor, who specializes as a cardiologist, and for others in the community, if our society became a barter economy.
- Select examples of money from a collection of pictures that show coins, currency, cheques, saving account passbooks, ATM cards, and various types of credit cards and explain whether each is considered money.
- in a carousel, reflect their perception of the effect of a cashless society on work, home, privacy, and investment
- examine whether we need coins such as the loonie or twonie and what are their benefits?
- Explain how money encourages specialization, promotes markets, helps organize production and distributes goods and services.
- Enumerate the various forms the money supply takes in Canada.
- supply students with examples depicting the different characteristics of money and explain their choice.

Notes and Resources

- Bank of Canada video
(Banker's Association of Canada, 18 minutes long)
- chartered banks pamphlets
 - Samples of different currencies
 - Nova—The secrets of making money (50 minutes) video
 - World bank:
<http://www.worldbank.org/>
 - History of Money:
<http://woodrow.mpls.frb.fed.us/econed/curric/history.html>
 - Bank of Canada Homepage:
<http://www.bank-banque-canada.ca/english/intro-e.htm>
 - Central Bank Information:
<http://www.patriot.net/users/bernkopf>
 - Money; Past, present and the future:
<http://www.ex.ac.uk/~RDavies/arian/money.html>
 - Money and attendance lesson:
<http://ofcn.org/cyber.serve/academy/ace/misc/cecmisc/cecmisc021.html>
 - Money Bucks and Business video and related materials from Discovery Channel:
<http://discoveryschool>

com/schoolstore/videos/money-bucksbanksandbusiness/index.html

- Money lesson: http://www.economicsamerica.org/econedlink/minute/archive/minute_990212.html
- video: *Days of Future Past* (Media Library, LRT, V9286)
- video: *Money, Banks and the Role of Government* (Target Canada Productions Ltd., Media Library, LRT, V21422)
- *Economix, Banking System, vol. 3*

SCO 2: Students will be expected to demonstrate an understanding of the elements and relationships that affect Canadian monetary policy.

Most people would like to have more money. Students, however, often fail to understand that the real value of money is determined by the goods and services money can buy. Monetary policy which increases the amount of money in an economy overnight would not by itself, make people better off, because there would still be the same amount of goods and services produced and consumed, only at higher prices.

Money is important to an economy because people are more likely to specialize in what they produce, using money to buy what they want to consume, thus increasing overall levels of production and consumption in a nation.

Monetary policy which decreases the amount of money in the economy will result in a reduction in production of goods and services, employment and income.

Because of the importance and impact of money, governments must make informed decisions relating to the control of the supply of money.

Connections to GCOs and KSCO

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCO (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate an understanding of the rights and responsibilities of citizenship and the origins, functions, and sources of power, authority and governance. (Citizenship, Power, and Governance)
- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)³
- Students will be expected to demonstrate an understanding of the interdependent relationship among individuals, societies, and the environment - locally, nationally, and globally - and the implications for a sustainable future. (Interdependence)⁴

KSCO

By the end of Grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

assess the role played by economic institutions and examine their impact on individuals and on private and public organizations.

analyse how government monetary and fiscal policies, regulations, and trade agreements influence production and distribution of wealth.

Apply knowledge of economic concepts in developing a response to current economic issues such as disparity and sustainability.

Evaluate the consequences of the consumer-oriented society.

Analyse the dynamics of the market in the local, national, and global economy.

OUTCOMES

Identify the criteria that one might use to judge the health or success of the economy.

SCO:

Outcomes

Delineations of the outcome include but are not limited to the following:

Distinguish between the concepts of easy and hard monetary policy

- Describe the basis of monetary policy
- Examine shortcomings and effectiveness of monetary policy
- Explain Canada's monetary policy of the past and how it relates to the present policy
- Show when changing the monetary policy is an effective tool for government
- Explain the relationship between the money supply and interest rates
- Explain how money gets its value
- Examine what type of monetary policy is appropriate in dealing with unemployment and/or inflation
- Analyse the advantages and disadvantages of monetary policy in attaining economic stability

Suggestions for Teaching and Learning

Describe the key roles that are played by the Bank of Canada.

- Monetary policies are decisions by the Bank of Canada that lead to changes in the supply of money and the availability of credit. Changes in the money supply can influence overall levels of spending, employment, and prices in the economy by inducing changes in interest rates charged for credit and by affecting the levels of personal and business investment spending.
- The major monetary policy tool that the Bank of Canada uses is open market purchases or sales of government securities. Other policy tools used by the Bank of Canada include increasing or decreasing the discount rate charged on loans it makes to chartered banks and raising and lowering reserve requirements for chartered banks.
- The Bank of Canada can influence the level of spending and economic activity by affecting interest rates in the economy via the *bank rate*.
- An interest rate is a price of money that is borrowed or saved.
- Like other prices, interest rates are determined by the forces of supply and demand.

The real interest rate is the nominal or current market interest rate minus the expected rate of inflation.

- Higher real interest rates provide incentives for people to save more and to borrow less. Lower real interest rates provide incentives for people to save less and borrow more.
- Real interest rates normally are positive because people must be compensated for deferring the use of resources from the present into the future.
- Explain the chain of consequences of expansive and contractionary monetary policy.
- When interest rates are relatively low, borrowing and spending levels tend to rise putting more money into circulation.
- When interest rates are relatively high, borrowing and spending levels tend to fall resulting in less money in circulation.
- Describe how banks will tend to lower interest rates, and make more loans, when the Bank of Canada places more of its money on deposit in the banks and how this, in turn, increases spending and economic activity.
- Identify periods over the past ten years when the Bank of Canada tried to increase interest rates in
 - order to reduce business, investment, and consumer spending.
- Examine two views of interest, that of the consumer and the business owner.
- Demonstrate how inflation occurs if too much money is in circulation in an economy.

- Explain the role of the Bank of Canada in regulating Canadian money markets.
- Demonstrate how an economy can be slowed down if there is too little money in circulation.
- Higher interest rates reduce business investment spending and consumer spending on housing, cars, and other major purchases. Policies that raise interest rates can be used to reduce these kinds of spending, while policies that decrease interest rates can be used to increase these kinds of spending.
- Describe how monetary policy can affect exchange rates and international trade.

SCO:

Suggestions for Assessment

Write an article for the business section of the local newspaper explaining what monetary policy is and how changes in monetary policy affect the money supply and interest rates. Using this information. Have students advise about taking out a car loan and his/her opportunities for obtaining summer employment in a job such as the construction trade when the Bank of Canada is contracting the money supply.

- Play the roles of members of the Federal government and decide for each of the following headlines whether they would recommend an expansionary monetary policy or a contractionary policy and whether government securities should be purchased or sold.
 - newspaper headlines
 - unemployment rate soars
 - new housing starts rise
 - CPI rises for third consecutive month
- Ask students to role-play as the governor of the Bank of Canada and to set the value of the Canadian dollar. Have them research the impact of their decisions on the money supply, interest rates, global trading, debt, and currency. Then ask students to discuss the extent to which the Bank of Canada and the government determine monetary policy..
- Outline and assess factors that affect interest rates.

Notes and Resources

Bank of Canada
Homepage:
<http://www.bank-banque-canada.ca/english/intro-e.htm>

- Department of Finance:
<http://www.fin.gc.ca>
- Fiscal & monetary policy lesson:
<http://www.col-ed.org/cur/sst/sst136.txt>
- The basics of interest rates (AA):
<http://ecedweb.unomaha.edu/boir.pdf>
- Interest rate cut lesson:
http://www.economicsamerica.org/econedlink/minute/archive/minute_981012.html
- Economics of interest rates:
http://www.economicsamerica.org/econedlink/newslines/teacher/newslines_interest_guides.txt
- Interest rate activity:
<http://amos.bus.okstate.edu/guide/IS23.html>
- *Money and Monetary Policy Development* (CFEE)
- Guest speaker from Bank of Canada, Halifax Branch

SCO 3: Students will be expected to identify, evaluate, and practice methods of sound financial management on an individual basis.

Interest rates influence the borrowing and saving of business investors, consumers, and government agencies. Most people are unfamiliar with interest rates until they borrow money for a major purchase such as an automobile, college education, or a house. When they enter the market for credit they encounter an unfamiliar price (the interest rate) offered by an unfamiliar business (a financial institution). It is necessary for students to understand that interest rates are determined by market forces that balance savings and borrowing. For many people, interest rates can represent significant financial costs and significant financial benefits over a lifetime.

It is also important for students to understand the incentive effects of interest rates. Interest payments compensate savers for postponing current consumption; they compensate lenders for the risk that borrowers might default on their loans; and they cover the cost of expected inflation over the term of the loan.

SCO:

Outcomes

Delineations of the outcome include but are not limited to the following:

Examine the choices that a person faces in terms of how they can use the income that they earned.

- Develop a rationale for why people and households should try and *save* if they can.
- Identify a variety of factors that tend to influence people's spending decisions.
- Identify the key components of a sound financial plan.
- Develop a list of possible financial goals and objectives that an individual or household might aspire to achieve.
- Analyse methods of individual (personal) financial budgeting.
- Analyse the relationship between debt for investment and debt for consumption.
- Compare and contrast reasons why people do not budget.
- Explain the concept of "pay yourself first".

Suggestions for Teaching and Learning

Identify some of the costs that are incurred by most people operating a household and which *must* be paid. (**Flexible or fixed expenses**)

- Compare the spending that an individual household makes on things that *must* be paid for with other things that are a matter of choice or ability to acquire. (**Flexible regular expenses**)
- Develop a sample budget to illustrate how income and spending can be monitored and controlled.
- Develop a number of sample budgets that illustrate how a household could achieve different levels of saving through differences in both income and spending.
- Analyse a personal budget under such headings as income, deductions, fixed regular, flexible regular, and flexible irregular expenses.
- Complete a number of sample calculations that illustrate the *magic of compounding* when money can be saved/invested for a period of time.
- Develop a profile of a "wise consumer".
- do a 1–2 week diary of their money transactions and then as individuals or whole class, graph and analyse the data
- Construct an individual budget for a one-month period.
- Wealth is acquired over time, therefore savings must occur first before spending.
- Compare saving at a young age versus saving in later years to develop an understanding of the power of compounding interest rates.
- Examine reasons why people do not budget how they can avoid the problems and how they can work to eliminate future financial problems.
- Make sure students know the difference between consumer debt and debt for investment (asset accumulation).
- Describe the typical choices families must make as they budget their income and expenses.
- Explain how consumers spend their budget to maximize the net benefits of their income.

OUTCOMES

- Evaluate the objective for using a personal budgeting plan.
- Identify ways to stay within a budget over a period of time.
- Examine causes for not using a personal budgeting plan.
- Compare and contrast the benefits and drawbacks of financial management.

SCO:

Suggestions for Assessment

Explain the key roles that can be played by a budget in helping a person or household to implement, and achieve the goals and objectives, of a financial plan.

- Meet with one or more members of the community who are involved in providing financial assistance to individuals and households regarding spending, budgeting, saving, planning, and investing.
- Have students analyse an individual or family budget. Determine where there is sound financial management and where there is room for improvement.

Notes and Resources

Every bank has personal and financial budgeting (planning information)

- Budgeting lesson plan: <http://ofcn.org/cyber.serv/academy/ace/soc/cecsst/cecsst013.html>
- Personal budgeting lesson: http://ericir.syr.edu/Virtual/Lessons/Social_St/Economics/ECO0007.html
- Personal budgeting lesson: <http://www.col-ed.org/cur/sst/sst13.txt>
- Personal budgeting exercise: <http://www.plan.ml.com/family/teachers/budget.html>
- Personal investment options lesson: <http://ofcn.org/cyber.serv/academy/ace/soc/cecsst/cecsst226.html>
- Credit card activity: <http://amos.bus.okstate.edu/guide/IS04.html>
- *Consumer Credit Youth Enlightenment Series (YES) Program* (Equifax)
- *I'm Cool on Credit* Equifax publication (Equifax)
- *Master Your Future* Mastercard education program

SCO 4: Students will be expected to analyse the methods of investing, borrowing, and the use of credit.

Students should recognize that by saving and investing money today they can benefit in the future by being able to buy such things as a car, a compact disc player, a trip to an amusement park, or other things that cost more than they can afford immediately. They will face similar trade-offs throughout their lives. As adults they will save for many things other than toys and vacations including housing, medical expenses, taxes, household and automobile repairs, their children's education, and their own retirement. Savings deposited in banks and other financial institutions earn interest because those savings are loaned to businesses that want to invest in capital goods, or to people who are willing to pay higher interest rates to purchase homes, cars, or other things now rather than later. The new physical capital will, in turn, increase production and promote faster economic growth.

SCO:

Outcomes

Delineations of the outcome include but are not limited to the following:

Identify a range of investment that are available to those who have funds to invest

- Compare a number of investment combinations to recognize how risk can be reduced.
- Identify some of the major sources of financial advice and assistance that are available.
- Compare and evaluate the different *investor profiles* that can apply to an individual
- Compare the rates of return that are possible from different kinds of investments.
- Explain how and why investors should compare the risks associated with a possible investment with the possible rate of return when making investment choices.
- Compare the investment goals of one or more investors over the

Suggestions for Teaching and Learning

Explain how all investments can be placed in one of three general categories—*cash*, *fixed income*, and *equity*.

- compare investor profiles ranging from *very conservative* to *very aggressive*.
- Participate in a simulation in which investment decisions can be made over time applying the key knowledge and skills for making sound investment decisions.
- Compare the different advantages and disadvantages of *preferred stock* and *common stock*.
- Read a stock table and track the performance of a number of stocks over a period of time in which they explain that potential reasons for stock price movements.
- Illustrate how to acquire stock and make effective decisions about choosing stocks.
- Describe when a specific investment such as a mutual fund might be appropriate for an individual.
- Meet with representatives from the financial industry who can explain the various ways to go about investing, how to invest, and the costs that can be associated with investing.
- Experience the challenge of balancing risk and return when deciding among alternative choices and recognizing that potential risk and potential return must always be in balance.
- show how an individual's *life cycle* can influence goals and investment decisions.
- Identify a range of purchases for which an individual or household may choose to assume debt.
- Describe the concept of investing as applying time, effort, technology, expertise, and other resources to something to enhance its value over time.
- Experience why a *credit rating system* is used by many lenders when they are making their lending decisions.
- Explain why there are usually differences in interest rates for new and used car loan, for 15-year versus 25-year mortgages, and for individuals with good and bad credit ratings.
- Riskier loans command higher interest rates than safer loans because of the greater chance of default on the repayment of risky loans.
- Compare a number of sample households, and the debt situations of those households, to identify what factors determine what is a *manageable* level of debt to carry.
- Develop an outline of the signs that a person or household may be experiencing debt problems.

- course of that person's lifetime
- Identify the key criteria that should be used by an individual to make sound investment decisions.
- Compare the differences in holding onto savings in the form of *cash* versus making a *fixed income investment* or investing in some form of equity.
- compare the debit card to the credit card in order to determine the advantages and disadvantages of their use.
- Identify a variety of markets that exist for channelling money from those who want to invest to those who need money for investments.
- Explain the three c's of credit and how an individual credit card rating is determined
- Compare the costs and potential advantages and disadvantages of using credit to make purchases.

SCO:

Suggestions for Assessment

Have students assess their own “profile” and the kind of investor that they might be at the current time and compare this profile with individuals portrayed in a number of case studies.

- Define interest and explain how interest rates and investment are related.
- Explain the impact of interest rates, budgeting and savings and the use of loans and credit cards on individual financial decision making. identify personal investment strategies for different economic goals, such as retirement, a child's education, or saving for a new house (students should be familiar with the risk-reward level of various types of investments, how risk is matched with the time horizon of the need for the funds invested, and how mutual funds work).
- Explain the costs and benefits of the use of credit.
- Calculate the related costs, and the return, on a number of possible investments.
- Develop a simulated investment portfolio from the options discussed in class. Follow these over time, graph their change in value. Determine reasons for any changes in price. Have students reflect on what they could have or should have done differently to improve their personal wealth.

Notes and Resources

The basics of interest rates (AA):

<http://ecedweb.unomaha.edu/boir.pdf>

- Finance Web:
<http://www.finweb.com/>
- Personal Financial Corner:
<http://www.geocities.com/WallStreet/8691/persfin.html>
- Invest Smart lessons in investing:
<http://library.advanced.org/10326/>
- Credit lesson plan:
http://ericir.syr.edu/Virtual/Lessons/Social_St/Economics/ECO0002.html
- Credit card lesson:
http://www.economicsamerica.org/econedlink/minute/archive/minute_981005.html
- Consumer borrowing and saving lesson:
<http://www.col-ed.org/cur/sst/sst149.txt>
- Consumer borrowing & credit lesson:
<http://ofcn.org/cyber.serv/academy/ace/soc/cecsst/cecsst149.html>
- Investment Glossary:
<http://www.investorwords.com/>
- Personal investment options:
<http://www.col-ed.org/cur/sst/sst226.txt>

- How to establish and use credit:
<http://ecedweb.unomaha.edu/ve/library/HTEU.PDF> Spending
Module:
<http://ecedweb.unomaha.edu/ve/library/SQPM.PDF>
- Invite an investment counsellor to talk to your class.

SCO 5: Students will be expected to explain and analyse the purpose and functions of various financial institutions in the Canadian economy.

The Bank of Canada is our central bank. It's directors are appointed by the federal cabinet and directors in turn appoint a governor and a deputy governor. The bank is not under the direct control of the federal government, although they generally co-ordinate their policies. It issues paper currency, acts as the "bankers bank", serves as the federal government bank, and controls the money supply. It does not deal with the public. Chartered banks and other financial institutions offer many services to the public from basic savings and chequing accounts to loans, mortgages, and various forms of investments. Trust companies, credit unions, caisse populaire (credit unions in Quebec) as well as the more well known major chartered banks all compete for customers by offering a host of services.

This SCO examines the role that each of these play in the Canadian economy.

SCO:

Outcomes

Delineations of the outcome include but are not limited to the following:

Identify a variety of sources from which an individual or household may be able to borrow or deposit money.

- Identify the various services that are offered by the various financial institutions in Canada.
- Explain the criteria that might be used by lenders when deciding whether or not to lend money to someone
- Compare various types of financial institutions such as banks, trusts, and credit unions as to services offered
- Contrast the responsibilities of the Bank of Canada to chartered banks.
- Identify assets and liabilities on a balance sheet
- Examine the meaning of a fractional reserve banking system
- Explain the concept of the money multiplier

Suggestions for Teaching and Learning

Explain the two key roles that are served by our financial institutions—that is, they provide a system for payments and they serve as intermediaries linking those who have money to save with those who want to borrow money.

- Explain how financial institutions operate as businesses, incurring costs, earning revenues, and earning profits for their shareholders,
- Explain that, in its role as *banker to the banks*, the Bank of Canada can influence the amount of money in circulation by either depositing more of its money in the banks or withdrawing more of its money from that bank.
- Identify the various costs that might be incurred by a bank in running its business operations.
- Identify the various ways in which banks can earn revenues from their products and services.
- Compare the levels of profits that are earned by some of the financial institutions in relation to the costs and investments they incur.
- Compare the types of loans that a financial institution can provide and the costs that are associated with each.
- Explain why financial institutions are willing to pay interest to savers for their deposits and charge interest to borrowers.
- Identify some of the key factors that may influence the level of interest that a bank may pay on deposits and other investments and that a bank may charge on loans.
- Compare the total value of the same amount of money when placed in a number of different types of deposit accounts with a financial institution for a period of five years.
- Explain how interest rates are determined.
- Compare the ownership of the Bank of Canada with that of the *chartered banks* in Canada.
- Compare the costs that are associated with a number of different mortgages that differ in terms of down payment, interest rate, and period over which the mortgage will be repaid.

- Compare demand and time deposits
- Calculate loan and mortgage costs over time using interest rate tables or computer programs.
- Compare costs/savings when adjusting the length of a mortgage.

SCO:

Suggestions for Assessment

Identify the current rates of interest on different kinds of savings instruments and different kinds of loans.

- Determine the interest rates on 25 years fixed-rate conventional home mortgages since 1978 and explain why they rose and fell.
- Collect data on interest rates, the rate of inflation, and new housing starts over the past 25 years. State how changes in real interest rates affect people's decisions to borrow in order to buy a house.
- Have students explain their answer to the following question: If you were going to lend \$100 to someone for a year, would you ask for more or less interest if you expected the prices of most things you buy to rise substantially over the year?
- Using interest rate tables or a business computer program, calculate loan and mortgage costs over different periods of time, then compare the savings that would occur when the term of a loan or mortgage is reduced.
- Research two different ways of financing a new car (e.g., bank loan, through a dealership, credit card, or a lease) and explain the advantages and disadvantages of each.
- Describe the structure and function of the Bank of Canada.

Notes and Resources

Bank of Canada

- Chartered Banks
- CommerceNet:
<http://209.249.218.192/>
- The Royal Bank of Canada economic information:
<http://www.royalbank.com/economics/index.html>
- The Toronto Dominion Bank:
<http://www.tdbank.ca/tdeconomics/>
- Bank of Montreal:
<http://www.bmo.com/economic/econ.htm>
- Banks and Financial Institutions Link Page:
<http://www.fin.gc.ca/links/bankse.html>
- Banking and Finance Web Page:
<http://www.qualisteam.com/eng/index.shtml>
- Basic banking principles US:
http://ericir.syr.edu/Virtual/Lessons/Social_Sci/Economics/ECO0012.html
- Inflation activity:
<http://amos.bus.okstate.edu/guide/IS21.html>
- Meet with one or more representatives from financial institutions in their communities to discuss the services offered by the institution and the way

the institution carries out its business.

- Listen to a presentation on the role banks play in channelling funds from savers to borrowers and investors and draw a diagram showing the role that financial intermediaries play among savers, borrowers, and investors.

SCO 6: Students will be expected to explain the Consumer Price Index and its role in the Canadian economy.

The Consumer Price Index (CPI) measures the rate of price changes in the Canadian economy over a period of time. During the development of Canada we have experienced a great deal of fluctuation in the CPI. Canada has gone through periods of inflation, stagflation, hyper inflation, and deflation, and wage and price controls. What events occurred to create these situations and what is the relationship between levels of inflation and unemployment? What government policies have been in effect to control these situations and bring about periods of greater economic stability?

SCO:

Outcomes

Delineations of the outcome include but are not limited to the following:

Describe the composition of the Consumer Price Index and how it is measured.

- Compare the consumer price index in Canada over time in relation to the general economic conditions that existed when the inflation rate was relatively high and the general conditions when the inflation rate was relatively low.
- Differentiate government use of a base year from other years in CPI calculation.
- Identify your understanding of the principles of inflation.
- Explain the unemployment/inflation trade-off.
- Compare the effects of cost-push and demand-pull inflation.
- Determine what conditions in the 1960s led to economic thinking of a trade-off

Suggestions for Teaching and Learning

Inflation and unemployment are important because they affect national levels of economic growth and standards of living. Some aspects of inflation and unemployment can be addressed with public policies. Various political leaders and parties often have different ideas about which policies should be followed to deal with inflation and unemployment, however. The controversial policies, and the fact that almost everyone is affected by unemployment or inflation, explain why these two problems and alternative approaches to combat them are so widely reported in the news media, and why understanding them is important to citizens.

- Identify the *consumer price index* as the statistic that is used to measure the rate of inflation in the economy.
- The consumer price index (CPI) is the most commonly used measure of price-level changes. It can be used to compare the price level in one year with price levels in earlier or later periods.
- Inflation reduces the value of money. Explain how *inflation* tends to become more of a problem as the level of output in an economy moves closer to the *capacity* of the economy to produce.
- Show how the Phillips Curve is used to explain inflation.
- State what is measured by the CPI.
- Explain how CPI is constructed and calculate the rate of inflation from the CPI for several consecutive years.
- Relate problems of inflation, stagflation, deflation, and hyper inflation to the Canadian economy.
- Discuss the effects of inflation on various sectors of the economy.
- Explain the role of government in preventing or controlling inflation (monetary policy.)
- When people's incomes increase more slowly than the inflation rate, their purchasing power declines.
- The costs of inflation are different for different groups of people. Unexpected inflation hurts savers and people on fixed incomes; it helps people who have borrowed money at a fixed rate of interest.
- Inflation imposes costs on people beyond its effects on wealth distribution because people devote resources to protect themselves from expected inflation.
- Demonstrate how inflation occurs if too much money is in circulation in an economy and how it can be slowed down if there is too little money in circulation
- In the long run, inflation results from increases in a nation's money supply that exceed increases in its output of goods and services.
- Examine why inflation might occur after participating in two rounds of an auction where the number of goods available remains constant, but the money in circulation increases in round two.

- between inflation and unemployment.
- Analyse reasons for stagflation in the 1970s and early 1980s in Canada.
- Explain the relationship between inflation and unemployment.
- Analyse causes and remedies of inflation.
- Explain why the purchase of an old car to use for delivering pizzas is less attractive when interest rates are higher.
- Interpret measurements of inflation rates and unemployment rates and relate these to the general economic “health” of the national economy.
- Explain how inflation reduces purchasing power for people whose income is either fixed or increasing slower than the rate of inflation.
- Describe some of the key reasons why the federal government, the Bank of Canada, and most other major nations in the world today assign a high priority to trying to keep inflation under control and at relatively low levels.

SCO:

Suggestions for Assessment

Evaluate the Consumer Price Index as a measure of the cost of living change.

- Interview someone 50–59 years old. Ask them about grocery prices. Compare the groceries that could be purchased for \$10 in 1967 with those that can be purchased for \$10 today.
- Compare the prices of a market basket of goods in 1980 with similar prices today.
- For each of the following cases, explain who would be harmed by an unexpected 10 percent inflation rate, who would benefit, and explain why.
 - Mike’s retirement income is \$24,000 a year
 - Bonnie borrowed \$5,000 last year and must pay it back at the end of this year.
 - John lent the \$5,000 to Bonnie last year and will be paid back at the end of this year
 - Bob and Mary bought several houses as an investment ten years ago and now they plan to sell them.
 - Businesses sell consumer products such as clothing and food.
- Identify assets people can buy to protect themselves financially against inflation and discuss how much time people spend with this problem in times of high inflation (e.g., 1981) compared to times of low inflation (e.g., 1955).
- Collect data on the rate of inflation and interest rates for various kinds of loans and savings instruments over the past 15 years.
- Discuss the relationship between the observed inflation rates and expected rates of inflation in any given year. Using this information, estimate the real rate of interest in these different years.
- Explain who benefits and who suffers from inflation.

Notes and Resources

Consumer food shopping lesson:

<http://ofcn.org/cyber.serv/academy/ace/misc/cecmisc/cecmisc075.html>

- Consumer price Index Calculator (US):
<http://woodrow.mpls.frb.fed.us/economy/cal/cpihome.html>
- Titanic movie receipts and CPI lesson:
http://www.economicsamerica.org/econedlink/minute/archive/minute_980309.html
- CPI Lesson:
http://www.economicsamerica.org/econedlink/minute/archive/minute_980302.html

Production

The unit on Production examines how the economic performance of Canada is measured and the mechanisms that are used to compare Canada's economic performance to that of other countries. The factors that affect production, sustainable economic development and growth, and the concern for the environment are examined. Canada's role as a major exporting country is examined with issues dealing with regional, national and international trade, current and future major world trading blocs and the effects fluctuating exchange rates have on our national economy.

Students will be expected to

- Students will be expected to demonstrate an understanding of how the Canadian economy works and is measured.
- Students will be expected to analyse the factors that affect production and economic growth.
- Students will be expected to demonstrate an understanding of the reasons for trade and the use of trade barriers among and within nations.
- Students will be expected to demonstrate an understanding of currency exchange rates and their effect on the Canadian economy.
- Students will be expected to predict the effect of the changing global economy on Canada using national, regional, and individual examples.
- Students will be expected to analyse the relationship of Economics and Environmentalism.

SCO 13: Students will be expected to demonstrate an understanding of how the Canadian economy works and is measured.

Changes in national levels of spending, production, and income can seem rather abstract and remote to students, because individuals can do little or nothing to change overall levels of economic activity. But these activity levels can have a profound effect on students' future welfare, their job opportunities, the level of their prospective earnings, and the prices they will pay for things they buy. It is important, therefore, for students to understand possible causes of changes in these levels and how such changes can produce problems (such as unemployment and inflation) or opportunities (such as increased employment). Understanding these macroeconomics forces equips students to anticipate and respond intelligently to economic developments. It also enables students to predict the economic consequences of proposed government policies and to make informed choices among alternative political candidates and public policy proposals. All productive resources (land, labour, capital, and entrepreneurship) are used to make goods and services. Productivity can be increased by improving the quality of labour with training, education, and health care and by using additional capital goods (e.g., tools, machines, technological advances, robotics, computer graphics). Specialization and division of labour usually increase labour productivity. Technological change and investments in capital goods and human capital increase productivity. Investments in capital goods and labour can increase productivity but have significant opportunity costs and economic risks. Specializing in the production of goods and services leads to interdependence. Greater specialization brings increasing interdependence.

Connections to GCOs and KSCOs

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate an understanding of the rights and responsibilities of citizenship and the origins, functions, and sources of power, authority and governance. (Citizenship, Power, and Governance)
- Students will be expected to demonstrate an understanding of culture, diversity, and world view, recognizing the similarities and differences reflected in various personal, cultural, racial, and ethnic perspectives. (Culture and Diversity)
- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)
- Students will be expected to demonstrate an understanding of the interdependent relationship among individuals, societies, and the environment - locally, nationally, and globally - and the implications for a sustainable future. (Interdependence)

KSCOs

By the end of Grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

- assess the role played by economic institutions and examine their impact on individuals and on private and public organizations
- evaluate the differences among traditional, command, and market economic systems and explain the development of "mixed" economies
- apply knowledge of economic concepts in developing a response to current economic issues such as disparity and sustainability

SCO 13: Students will be expected to demonstrate an understanding of how the Canadian economy works and is measured.

Outcomes	Suggestions for Teaching and Learning
<p><i>Delineations of the outcome include but are not limited to the following:</i></p> <ul style="list-style-type: none"> • Identify some of the key factors that will influence the <i>economic capacity</i> of an economy. • Identify the various kinds of resources used in Canada to produce goods and services. • Illustrate how the total output of an economy can be measured, monitored, and reported • Identify what GDP/GPI are and how each are measured. • Explain the relationship between Gross Domestic Product (GDP) and Gross National Product (GNP). • Evaluate the components of the supply and demand sides of the Canadian economy. • Describe the characteristics of each phase of a business cycle. • Explain why the level of production 	<p>Provided with the scenario of an imaginary economy with a GDP of \$5 billion and a population of 1 million, students can calculate Gross Domestic Product, GDP per capita, nominal GDP and real income.</p> <p>Students can read the following scenarios and analyse the effects on the economy and GDP. A visitor comes into a community and spends \$100 on a single purchase at a video store. The video store's income increases by \$100.00. It spends \$80 of the money to pay the telephone bill, which now becomes income to the telephone company and so forth</p> <p>Students can create a cause and effect chart to demonstrate and predict the effect each of the following will have a GDP- consumption investment, government spending, net exports, savings and taxation.</p> <p>Teachers may introduce students to the GPI (Genuine Progress Index) through directed instruction or research (www.GPIAtlantic.org). Having noted the pros and cons of GDP and GPI students can debate whether GPI is a more realistic measure of the economy.</p> <p>Using examples provided by the teacher, students determine the differences between inputs and outputs on the circular flow. They may demonstrate their understanding with visuals.</p>

in the Canadian economy tends to rise and fall over time as it experiences a *business cycle*.

- Calculate the differences in measuring real GDP and nominal GDP.
- Calculate GDP and GNP by the income and expenditure approaches and explain the relationship between the two methods.
- Outline the components of aggregate demand and explain the shape of the aggregate demand curve.
- Analyse the factors that may cause a shift in aggregate demand and aggregate supply
- Define aggregate supply and explain the shape of the aggregate supply curve.
- Describe some of the key factors that are likely to influence the development of Canada in the future.
- Compare the level and cost of resources required when different levels of production are undertaken.
- Explain the kinds of choices and trade-offs that a business

can face when deciding which resources, and what quantity of resources that a business may have to acquire or employ.

- distinguish between different factors of production using examples
- compare the impact of government decisions and business decisions on factors of production
- describe the roles of individuals, businesses, and government in the business cycle and analyse the impact of that cycle on economic decision making.
- Calculate the difference in real and nominal GDP and analyse the significance of this calculation.

SCO 13: Students will be expected to demonstrate an understanding of how the Canadian economy works and is measured.

Suggestions for Assessment

In a written paper, students can explain the differing approaches to measuring a countries economy provided by GDP and GPI

Using the data of selected countries, determine per capita GDP and present their findings in graphic form. Then students may advance and support a hypothesis as to the differences.

Students can draw and label a circular flow diagram that demonstrates the interrelated roles of household, business and government in the economy noting how the “Leaky Ricket Model” applies.

Using a local example of layoffs, hirings, government expenditures, students will determine where in the business cycle each would fit and support their decisions.

In a journal entry, students may discuss their role, placing in the workings of the Canadian economy

Research and develop an economic/historical time line from Confederation to the present

expectations to help with evaluation

visual presentation suitable for hanging in classroom (could involve drawing for the artistic, pictures, graphs, etc.)

Must show indicators of the economic cycle such as unemployment rate, labour force, transition from underdeveloped to developed economy, GDP per capita, CPI.

Note: This could be done as an ongoing classroom project which adds each item as the concept is learned. For example, use classroom walls for a mural type effect.

Notes and Resources

Street Cents Online:

<http://www.halifax.cbc.ca/streetcents/>

- Places and Production lesson:
<http://ecedweb.unoma-ha.edu/lessons/feogx.htm>
- video: *The Dairy Industry* (Media Library, LRT, V8958)
- video: *Christmas Tree Farming in Nova Scotia* (NS Government Services, Media Library, LRT, V8366)
- Business Cycle/stabilization policy:
<http://amos.bus.okstate.edu/guide/IS37.html>
- Circular flow activity:
<http://amos.bus.okstate.edu/guide/FT07.html>
- *Canadian Economy: The Big Picture* (CFEE)
- *Canada in Recession: A Backgrounder and Some Perspectives* (CFEE 1991)
- www.GPIAtlantic.org

SCO 14: Students will be expected to analyse the factors that affect production and economic growth.

Everyone specializes to some degree, and everyone depends on others to produce many of the things he or she consumes. As future producers and workers, students should understand that they will earn more by specializing in doing the things they can do well and that entail the least sacrifice in forgone opportunities. They also should understand that specialization can lead to increased production, even when everyone has similar skills and resources, because concentrating production of some goods or services in one location can sometimes reduce production costs. This understanding will help students appreciate why an economy in which people specialize and trade voluntarily with one another results in higher overall levels of production and consumption, for individuals, regions, and nations.

Fast-food restaurants that set prices too high, or give slow, unfriendly service, risk losing customers to competing restaurants that offer lower prices, higher quality products, and better service. In this way, competition benefits consumers. Understanding the benefits of competition and the costs of limiting competition helps students evaluate public policies that affect the level of competition in various markets. It also helps students understand their own roles as producers and consumers in a market economy- in terms of opportunities to compete with others and in terms of the limits that competition places on their incomes, career plans, and what they can buy and consume. Competition improves productivity by forcing all suppliers to be as productive as possible. Productivity improvements, in turn, foster economic growth and a better quality of life for current and future generations. It is important for students to recognize that competition contributes in a positive way to economic growth and the quality of life.

Connections to GCOs and KSCOs

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate an understanding of the rights and responsibilities of citizenship and the origins, functions, and sources of power, authority and governance. (Citizenship, Power, and Governance)
- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)
- Students will be expected to demonstrate an understanding of the interdependent relationship among individuals, societies, and the environment - locally, nationally, and globally - and the implications for a sustainable future. (Interdependence)
- Students will be expected to demonstrate an understanding of the interactions among people, places, and the environment. (People, Place, and Environment)

KSCOs

By the end of Grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

- analyse how economic decisions are made by individuals, organizations, and government, based on scarcity and opportunity cost
 - assess the role played by economic institutions and examine their impact on individuals and on private and public organizations
 - evaluate the differences among traditional, command, and market economic systems and explain the development of “mixed” economies
 - analyse the personal, social, and economic implications of paid and unpaid labour
- analyse how government monetary and fiscal policies, regulations, and trade agreements influence production and distribution of wealth

SCO 14: Students will be expected to analyse the factors that affect production and economic growth.

Outcomes

Delineations of the outcome include but are not limited to the following:

Explain why producers in Canada will tend to focus their production activities on the goods and services that people are willing to buy.

- Identify the various resources that a business might require in order to undertake production.
- Contrast the concept of *economic growth* with the concept of *economic capacity*
- Compare the potential advantages and disadvantages of growth for an economy.
- Identify a variety of key factors that had an influence in the past on the growth and development of the Canadian economy.
- Interpret media reports about current economic conditions that can influence decisions made by consumers, producers, and government policy makers.

Suggestions for Teaching and Learning

Research the general trends in Canada's economic growth and the accumulation of savings. Then illustrate the trends clearly in a line graph.

Using the values of production for Nova Scotia's primary industries (farming, fishing, forestry and mining), construct a pie chart showing the percentage each contributes to Nova Scotia's primary industry output.

The students will find examples in the media of how advances in technology can increase productivity. (Variation - interview workers, including parents, friends, etc, to find other examples.)

Brainstorm ways of improving workers' productivity

determine the incentives and disincentives used for entrepreneurs in our economic system.

- Analyse how a factor of production may change over time and affect the economy.
- Define economic growth and examine its relationship to standard of living and the productivity of labour.
- Assess the major determinants of economic growth.
- Evaluate the costs and benefits of economic growth and consider its limitations.
- Analyse the reasons for business fluctuations using the injections-leakages approach.
- Outline the general trends in Canada's economic growth and the accumulation of savings.
- apply basic statistical analysis to interpret economic data from primary, secondary, and tertiary sources.

SCO 14: Students will be expected to analyse the factors that affect production and economic growth.

Suggestions for Assessment

Have students construct an Nova Scotia primary industry pie chart for each of three separate years, showing the percentage trend over time. Students will produce a product using a simulated assembly line process. They must compute output per worker and explain the efficiencies involved. This can be done individually or in groupings. The result will be a written or oral presentation in the process.

Expectations- Product must be small enough to put together in class. (Some examples would be reassembly of 12 ball point pens by 1 person vs. and assembly line, laces in sneakers, face painting and balloon tying.) Mark will be derived from the success of the process and from graphical presentation of statistics on output per worker and efficiencies.

From BC Guide - analyse the effect of the four factors of production and the underground economy on GDP.

Create a time line that demonstrates the increases in productivity (technological, sociological, etc.) Since 1900. For each increase in productivity provide an explanation in whole class discussion, brainstorm examples of innovation. Assign groups one of the innovations to research and develop a non-written presentation of the impact, short and long term of this innovation on society, economy and/or environment

Notes and Resources

Production Assembly line lesson:

<http://www.col-ed.org/cur/sst/sst180.txt>

- video: *Pictou, Nova Scotia* (Beaver Creek Pictures, Media Library, LRT, V21986)
- video: *Salt from the Earth* (Media Library, LRT, V9810)
- video: *Salt of the Earth* (Media Library, LRT, V9773)
- video: *P.E.I.: The Million Acre Farm* (Media Library, LRT, V7817)
- video: *Canola Council of Canada: An industry's success* (Canola Council of Canada, Media Library, LRT, V1598 and V21190)
- video: *Haida Gawaii* (Why Not Productions, Media Library, LRT, 20854)
- video: *Cohasset Project* (Creative Media, Media Library, LRT, V1320)
- Production costs: <http://amos.bus.okstate.edu/guide/IS03.html>
- Recession/depression activity: <http://amos.bus.okstate.edu/guide/IS06.html>

- Recession activity:
<http://amos.bus.okstate.edu/guide/IS33.html>
- Economic growth activity:
<http://amos.bus.okstate.edu/guide/IS09.html>
- Environomics (CFEE) survival game

SCO 15: Students will be expected to demonstrate an understanding of the reasons for trade and the use of trade barriers among and within nations.

Students learn that people and organizations trade with one another only when each party offers something that the other party values more than whatever he or she has to trade. Trade involves assessing opportunity cost carefully.

Exchange is essential to all economic activity. Individuals, households, businesses, governments, and societies specialize to make the most efficient use of their resources and they trade to obtain other goods and services they need and want. It is essential to understand how trade results in interdependence and economic change.

Connections to GCOs and KSCOs

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate an understanding of culture, diversity, and world view, recognizing the similarities and differences reflected in various personal, cultural, racial, and ethnic perspectives. (Culture and Diversity)
- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)
- Students will be expected to demonstrate an understanding of the interdependent relationship among individuals, societies, and the environment - locally, nationally, and globally - and the implications for a sustainable future. (Interdependence)
- Students will be expected to demonstrate an understanding of the interactions among people, places, and the environment. (People, Place, and Environment)
- Students will be expected to demonstrate an understanding of the past and how it affects the present and the future. (Time, Continuity, and Change)

KSCOs

By the end of Grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

- evaluate factors that influence the distribution of wealth locally, nationally, and internationally
- analyse how government monetary and fiscal policies, regulations, and trade agreements influence production and distribution of wealth

apply knowledge of economic concepts in developing a response to current economic issues such as disparity and sustainability

SCO 15: Students will be expected to demonstrate an understanding of the reasons for trade and the use of trade barriers among and within nations.

Outcomes

Delineations of the outcome include but are not limited to the following:

Define balance of payments/comparative advantage
Examine Canada's major trading partners and trading commodities.

- Assess the importance of international trade to the Canadian economy and the costs and benefits of trade.
- Explain how the Canadian economy tends to be affected by increases and decreases in export sales to other nations.
- Compare the benefits and costs of policies that alter trade barriers between nations and provinces, such as tariffs and quotas.
- Relate the benefits of Canada of the Canada-United States Automobile Agreement
- Discuss the advantages and disadvantages of Canada entering into a free-trade

Suggestions for Teaching and Learning

Analyse the effects on the Maritime economy of John A. MacDonald's National Policy of 1878

as a research project for enrichment of students 2 choices

examine the effect on Canada's economy of a "yes" vote in Quebec

examine the effect on Canada's economy of the expansion of NAFTA to include South America

Debate the statement, "Free trade increases worldwide material standards of living"

Brainstorm how:

a voluntary exchange among people or organization in different countries gives people a broader range of choices in goods and services.

B. When imports are restricted by public policies, consumers pay higher prices and job opportunities and profits in exporting from decrease.

Using in inquiry T identify those countries that are Canada's largest source of imports and largest recipients of exports. Then students can note what specific exports and imports are involved in this trade. Students can then analyse the data to determine the patterns and impact of these patterns on Canadian economy and society

to introduce the concept of trade between nations, the class may begin by identifying on all the material goods (books, clothes, etc.) In the classroom an extension would be to include their homes. Students can pick one item that is an import and research and report on why we (Canada) trade for the item rather than produce it.

-
- agreement with the United States.
- Relate the objectives of GATT to Canada's economy
 - Relate the arguments for and against tariff protection.
 - Demonstrate, using the circular flow model, the role of international trade in an economy. Outline and assess the benefits of trade with reference to absolute and comparative advantage.
 - Examine the means governments use to control trade with other countries, including both tariffs and non-tariff barriers.
 - Demonstrate, using a graph, the economic effects of a protective tariff.
 - Define a trade deficit and a trade surplus.
 - Examine the possible economic effects of a "yes" vote in Quebec and the expansion of NAFTA on Canada's economy.
 - Calculate by way of mathematical problems, comparative and absolute advantage trade problems.
 - Present arguments for and against tariffs.

- Discuss non-tariff restrictions on trade.
- Discuss the costs and benefits to Canada of the North America Free Trade Agreement (NAFTA)
- Show how a comparative and an absolute advantage trade problem can be calculated so each country specializes, trades with the other country, and has total production increase.
- Describe some of the key links that have been formed between the Canadian economy and a number of the nations of the Asia-Pacific region.
- Describe how trade generates economic development and interdependence and analyze the resulting challenges and benefits for individuals, producers, and government.
- Define balance of payments.

SCO 15: Students will be expected to demonstrate an understanding of the reasons for trade and the use of trade barriers among and within nations.

Suggestions for Assessment

Analyse the political and economic implications of a proposed ban on imported electronics into Canada.

- Identify transaction costs associated with the purchase of a good or service. Also, explain why each of the following encourages exchange:
 - more efficient trucks that can carry larger loads for the same fuel costs
 - automated teller machines
 - credit cards
 - classified advertising
- Apply the concepts of opportunity cost and comparative advantage to the following problem: The Netherlands can produce in one day either four frill presses or eight embroidered tablecloths. Using the same amount of resources, Portugal can produce either two drill presses or seven embroidered tablecloths. Which country should specialize in drill presses and import tablecloths and why? Which country should specialize in tablecloths and import drill presses and why?
- Explain how a tariff on imported cocoa beans affects the production of chocolate candy in Canada and how it affects people in cacao-growing countries.

Expectations: The student must demonstrate in writing, orally, graphically, or pictorially the effect of tariffs on prices and employment of selected Canadian products. (Prices and employment will both be higher in Canada) Students compile a list of imported products in their homes. A class list is then compiled. Using that list, students must then write an essay stating what their lives would be like without these items. They must reach a conclusion in which they decide whether their economic lives are better or worse. Their decision must be justified in economics terms such as opportunity cost, employment, consumer prices, quality of products, career choices, etc.

Students must determine if or how the political process in relations to truck production has changed (Results can be presented in writing, oral presentation by debate, multimedia and through a short play)

- Explain why nations often restrict trade by using quotas, tariffs, and non tariff barriers to trade (for example, cars entering Canada must have a catalytic converter)

Notes and Resources

- NAFTA
Homepage:
<http://ffas.usda.gov/itp/policy/nafta/nafta.html>
- NAFTA net Small Business Information:
<http://www.nafta.net/smallbiz.htm>
- World trade activity:
<http://www.col-ed.org/cur/sst/sst202.txt>
- Limiting Trade:
<http://ecedweb.unoma-ha.edu/lessons/feoga.htm>
- Why nations trade:
<http://ecedweb.unoma-ha.edu/lessons/FEOG1.htm>
- How can Businesses make money from tariffs?:
<http://ecedweb.unoma-ha.edu/lessons/feus1.htm>
- International trade lesson plan:
<http://ofcn.org/cyber.serv/academy/ace/soc/cecsst/cecsst132.html>
- video: *International Trade* (Target Canada Productions Ltd., Media Library, LRT, 21423)
- Foreign trade activity:
<http://amos.bus.okstate.edu/guide/IS17.html>
- Trade data Online:
<http://strategis.ic.gc.ca>

/sc_mrkti/tdst/engdoc/
tr_homep.html

- Trade lesson:
<http://www.economicsintl.org/lelyukfiles/lelyuk1.html>
- *Export Canada* (CFEE)
- *BRIDGES Project Teaching Resource* (CFEE)
- *Canada/U.S. BORDER Project Teaching Resource Kit* (CFEE)

SCO 16: Students will be expected to demonstrate an understanding of currency exchange rates and their effect on the Canadian economy.

International trade is a vital component of Canada's economy. Many of the clothes we wear and cars we drive have been imported from other countries. Canada has traditionally been a resources, export driven economy. What accounts for the value of our currency being less than that of the United States since 1976? Our exports typically account for approximately 25% of our GDP and one in five jobs are directly dependent on exports. When the value of the Canadian currency is low relative to the United States currency, it aids our export industry by making our goods less expensive and thus a better buy to other nations. On the other hand, when the value of our currency appreciates, it aids the consumer by making imported goods less expensive but it hurts our exports as our goods now become more expensive. The economic choices we are faced with as the value of our currency fluctuates on world markets has profound effects on our national economy.

Connections to GCOs and KSCO

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCO (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)
- Students will be expected to demonstrate an understanding of the interdependent relationship among individuals, societies, and the environment - locally, nationally, and globally - and the implications for a sustainable future. (Interdependence)

KSCO

By the end of Grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

- analyse the dynamics of the market in the local, national, and global economy
- identify the criteria that one might use to judge the health or success of the economy

SCO 16: Students will be expected to demonstrate an understanding of currency exchange rates and their effect on the Canadian economy.

Outcomes

Delineations of the outcome include but are not limited to the following:

Explain how exchange rates are determined and what an exchange rate is.

- Determine the factors that affect foreign value of the Canadian dollar.
- Analyse the costs and benefits to any change in the present value of the Canadian dollar in foreign exchange markets.
- Identify the major groups that might engage in *buying* and selling Canadian dollars in the international exchange markets.
- Discuss the benefits and drawbacks between fixed and flexible exchange rates.
- Relate deficits and surpluses in the balance of payments to changes in the foreign-exchange value of the Canadian dollar.
- Demonstrate, using graphs, how the exchange rate of the Canadian dollar is

Suggestions for Teaching and Learning

Determine the non-market factors that affect foreign value of the Canadian dollar. The list should include - the economy's accumulated debt, political stability, economic growth, future expectations, the state of our resources (land, labour, capital, entrepreneurial ability), skill levels, education, participation rate, labour force.

Students create a line-graph showing the value of the Canadian dollar over the 20th century in comparison to the US dollar. Students then must determine reasons for the fluctuation in the rate; identifying major events which may have caused the changes (note: could be tied in with #6 in SCO #1 assessment strategy to build a Canadian time line).

Students must demonstrate an understanding that our currency may be undervalued at times even though all economic indicators are strong. For example, the whims of many traders on the money market can affect the value of the dollar.

Can be done through commercial banks. Could even invite a speaker from the bank to come in.

determined and the
factors affecting it.

SCO 16: Students will be expected to demonstrate an understanding of currency exchange rates and their effect on the Canadian economy.

Suggestions for Assessment

- Use the following scenario to analyse the effects on trade of a change in exchange rates: In one year, the Canadian dollar equalled 250 Japanese yen; in the following year, the American dollar equalled 150 yen; and in the third year, it equalled 200 yen. If a Nikon camera costs 75,000 yen and a Sony Walkman radio costs 25,000 yen
 - What will be the price in dollars of these two products in each year for an American
 - Will an American want to buy more or fewer Japanese products in year one, year two, or year three? Explain.
- Calculate the following:
 - If the British pound is worth \$1.85, how much would you have to pay in England for a compact disc that is worth \$16
 - If the Canadian dollar is equal to \$.72 in American money, what is the Canadian equivalent of \$15 American?
 - If it takes 1372 Italian lira to buy \$1, how much is an Italian sweater purchased for 27,000 lira, in Canadian dollars?
- Invite the class to discuss a hamburger chain that operates globally. Have students research the cost of a hamburger in 10 different countries and convert the prices into Canadian dollars. Discuss the following: What factors determine the cost and pricing (e.g., infrastructure, taxes, social system)? How many minutes of work does it take to buy a meal? As an extension, discuss the impact of Canadian debt on currency exchange rates and on money markets.
- Have students research how access to markets provided by information technology affects retailers and wholesalers. As an extension, invite them to examine how trade patterns have affected the value of the Canadian dollar over the past two years.
- To check on students' understanding of domestic and export pricing concepts, have them assess the impact and costs of the unregulated use of pesticides on farm products in various countries. Responses should include
 - impact on the economies of the exporting and the importing countries
 - long-term costs (e.g., social, environmental, and medical costs).

Notes and Resources

Canadian Bankers

Association (www.cba.ca)

- Exchange rates (www.amazon.com)
- Currency Comparison page: <http://www.wimmera.net.au/CurrComp/CurrComp.html>
- Currency Converter: <http://www.oanda.com/converter/classic>
- Currency exchange basic lesson: <http://ecedweb.unoma-ha.edu/gang1.htm>
- Canadian Dollar Exchange Rates: [http://www.customhouse.com/world.htm#Canadian Dollar Rates](http://www.customhouse.com/world.htm#CanadianDollarRates)
- New euro currency lesson: http://www.economicsamerica.org/econedlink/minute/archive/minute_990125.html
- Malaysia currency control lesson: http://www.economicsamerica.org/econedlink/minute/archive/minute_980914.html
- Exchange rate activity: <http://amos.bus.okstate.edu/guide/IS12.html>

SCO 17: Students will be expected to predict the effect of the changing global economy on Canada using national, regional, and individual examples.

Historically, Canada has had very protective legislation dealing with national and regional trade barriers. Most were very inefficient as in the example of a brewery having to have a plant in the province that they sold their product. This made for very inefficient methods of production and high production costs. As we moved into free trade with the US and then NAFTA, including Mexico, we have moved into the global marketplace where Canadian business is in a very competitive world market. Regional forms of protectionism are quickly disappearing as businesses strive to remain competitive in the global economy. From now on, it has been said that there will only be two types of economists, those who follow the world economy and those who are unemployed. Similarly, we might say of our students there will only be two types, those who are educated to deal with problems having global implications and those who are uneducated.

Connections to GCOs and KSCO

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate an understanding of the rights and responsibilities of citizenship and the origins, functions, and sources of power, authority and governance. (Citizenship, Power, and Governance)
- Students will be expected to demonstrate an understanding of culture, diversity, and world view, recognizing the similarities and differences reflected in various personal, cultural, racial, and ethnic perspectives. (Culture and Diversity)
- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)
- Students will be expected to demonstrate an understanding of the interdependent relationship among individuals, societies, and the environment - locally, nationally, and globally - and the implications for a sustainable future. (Interdependence)
- Students will be expected to demonstrate an understanding of the interactions among people, places, and the environment. (People, Place, and Environment)

KSCOs

By the end of Grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

- analyse how economic decisions are made by individuals, organizations, and government, based on scarcity and opportunity cost
 - evaluate factors that influence the distribution of wealth locally, nationally, and internationally
 - analyse the dynamics of the market in the local, national, and global economy
- identify the criteria that one might use to judge the health or success of the economy

SCO 17: Students will be expected to predict the effect of the changing global economy on Canada using national, regional, and individual examples.

Outcomes

Delineations of the outcome include but are not limited to the following:

Examine why nations are becoming increasingly linked economically, the factors that influence the linkages, and the potential and varying impact of these links on nations.

- Explain how the economic development of nations can be measured and compared.
- Identify the reasons why Canada has been frequently rated as one of the best countries in the world in which to live.
- Explain the effects of the global economy on Canadian markets.
- Explain why globalization has presented Canada with several economic challenges.
- Determine what is the global responsibility of Canada or any nation.

Suggestions for Teaching and Learning

Students will brainstorm to find both economic and non-economic reasons why Canada has been rated as one of the most desirable countries in the world in which to live.

Students will use the internet and media sources to find 5 effects of the global economy on Canadian markets. In addition show five examples of new economic challenges for Canada as a result of globalization

complete an “inquiry T” to show the advantages and disadvantages for foreign companies investing in Canada.

If development is left here, then students can create a spectrum of selected countries chosen by their stage of economic development.

- Discuss Canada's role in international development.
- Compare the economic stability in Canada over a period of years with the level of economics stability on one or more major nations in the world.
- Compare the concepts of "economic rights" and "economic responsibilities" when it comes to the use of and care for Canadian resources.
- Discuss (analyse) the impact of foreign investment on the Canadian economy.
- Analyse the concept "global economy".
- Identify problems facing developing nations.
- Analyse the impact of foreign investment in the Canadian economy.

SCO 17: Students will be expected to predict the effect of the changing global economy on Canada using national, regional, and individual examples.

Suggestions for Assessment

Using the Internet, gather current and historical data on real GDP per capita for the United States, Japan, Somalia, South Korea, and Canada and state a relationship between real GDP and standard of living.

- Locate and analyse relevant data from appropriate reference materials to assess the validity of the following statement. It is doubtful that many of the countries of Sub-Saharan Africa will ever have GDPs that approach the value of those of Western European countries.
- Check on students' understanding of how economic concepts apply internationally by asking them to analyse shifts in the world's 20 largest banks. Have them
 - generalize about geographic distribution
 - research world banking regulations
 - examine the gross national products of the countries involved
 - speculate on why shifts have taken place
 - speculate why there is no Canadian bank in the top 100 banks of the world
 - analyse the implications of shifts in the creation of wealth
- Have students research Gross Domestic Product, inflation, employment rates, debt, taxation, and social services by comparing economic activity in a predetermined list of countries. Ask them to work in small groups to produce multimedia presentations of their findings, including charts and graphs.
- Assess the advantages and disadvantages of America's free trade area including Canada, the US, and Mexico and Central South America from the perspective of all Canada.
- Using selected "Canadian" companies or companies operating in Canada, assess their level of globalization e.g., workforce, productive facilities, level of integration etc. Hypothesize on the effect on Canada and Canadians of increased globalization of Canadian business.
- research "Runaway Shop" or "Gypsy" companies "that have operated in Nova Scotia. Explain their role in the global economy and the implications for Nova Scotia and Canada.

Notes and Resources

The Ukraine lesson:

http://www.economicsamerica.org/econedlink/minute/archive/minute_981130.html

- Galaxy Newspaper Information on World Issues:
<http://www.einet.net/galaxy/Business-and-Commerce/Business-General-Resources/Newspapers-and-Periodicals.html>
- NAFTA Homepage:
<http://ffas.usda.gov/itp/policy/nafta/nafta.html>
- NAFTAnet Small Business Information:
<http://www.nafta.net/smallbiz.htm>
- US Economic data:
<http://www.whitehouse.gov/fsbr/esbr.html>
- The World Game of economics software program:
<http://www.whitehouse.gov/fsbr/esbr.html>
- OECD Resources Web Page:
<http://www.oecd.org/std/others.htm>
- The Globe and Mail newspaper:
<http://www.GlobeandMail.ca/>
- Canadiana The Canadian Resource Page (American):
<http://www.cs.cmu.edu>

- u/Unofficial/Canadian
a/README.html
- Government hotlinks:
<http://www.fin.gc.ca/access/linkse.html>
- Policy Web Page:
<http://www.policy.com/community/bytopic/>
- Caledon Institute on
Public and Social
Policy:
<http://www.caledoninst.org/>
- D5 International
Development Research
Center:
http://www.idrc.ca/index_e.html
- Maclean's Economic
Policy Page:
<http://www.geocities.com/WallStreet/8691/index.html>
- The Financial Times
newspaper:
<http://www.ft.com/>
- CNN Financial news:
<http://www.cnnfn.com/>
- Economic Research:
<http://www.informetrica.com/>
- video: *Baby Business*
(NFB 1995)
- European Union web
page:
<http://europa.eu.int/index-en.htm>
- World Trade
Organization:
<http://www.wto.org/>
- *International Economic
Development* (CFEE)
- *Canadian Economy:
Adjusting to Global
Change* (CFEE)

- *Canadian Economy:
How Do We Compare?*
(CFEE)

SCO 18: Students will be expected to analyse the relationship of Economics and Environmentalism.

A growing number of scientists report that the environment in the developed world has improved in recent years. Developed nations have substantially reduced levels of air pollution, increased average life expectancy, and improved their water quality and food production has grown faster than their population. Reasons for the improved environmental situation range from new technology which enable tests for pollution levels, ability to determine the source more accurately and therefore reduce pollution. When the costs of pollution become clear, strong economic pressures resulted to preserve the environment. Government regulations have been issued to protect environmental quality and public concern has made the protection of the environment an important public issue. Very serious threats to the environment still remain such as depletion of fish stocks (population), the appropriate use of public lands, world population growth, and biodiversity. Perhaps environmental problems to date have been accomplished by dealing with the problems that are easiest to resolve and that the more difficult tasks need to be addressed by new or different approaches. It may be possible to accomplish break throughs in protecting the environment through our evaluation of the costs and benefits of different strategies, and the establishment of environmental protection systems based on economic incentive and disincentives. The new environmental economies seek to bridge a gulf that has emerged in recent years between environmentalists and economists. Both groups have begun to appreciate that the market-driven economic growth and environmental quality are not incompatible if we are to have a sustainable economy and society.

Connections to GCOs and KSCO

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCO (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate an understanding of the rights and responsibilities of citizenship and the origins, functions, and sources of power, authority and governance. (Citizenship, Power, and Governance)
- Students will be expected to demonstrate an understanding of culture, diversity, and world view, recognizing the similarities and differences reflected in various personal, cultural, racial, and ethnic perspectives. (Culture and Diversity)
- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)
- Students will be expected to demonstrate an understanding of the interdependent relationship among individuals, societies, and the environment - locally, nationally, and globally - and the implications for a sustainable future. (Interdependence)

KSCO

By the end of Grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

- analyse how economic decisions are made by individuals, organizations, and government, based on scarcity and opportunity cost
- assess the role played by economic institutions and examine their impact on individuals and on private and public organizations
- evaluate the differences among traditional, command, and market economic systems and explain the development of “mixed” economies
- evaluate factors that influence the distribution of wealth locally, nationally, and internationally
- apply knowledge of economic concepts in developing a response to current economic issues such as disparity and sustainability
- evaluate the consequences of the consumer oriented society
- identify the criteria that one might use to judge the health or success of the economy

SCO 18: Students will be expected to analyse the relationship of Economics and Environmentalism.

Outcomes

Delineations of the outcome include but are not limited to the following:

- define sustainable development
- Propose a set factors and conditions that would result in people assigning a higher priority to protecting and improving the environment.
- Evaluate the care that people tend to assign to things for which they feel a sense of ownership and responsibility with the care they assign to things that are owned by others or collectively by everyone through governments (e.g., parkland, roads).
- Compare economic activities that bring potential harm to the environment with those that help to sustain the environment
- Compare the role of government in Canada in terms of influencing the environment with the role played by government in one

Suggestions for Teaching and Learning

- Explain in terms of private costs and social costs why there are economic incentives to pollute the environment and discuss.
- why a cleaner environment can be regarded as similar to any other good or economic benefit.
- Explain how economic analysis of the costs and benefits of a pollution control program can help in designing the program and deciding who should pay its costs (use Halifax Harbour clean-up or Sydney tar ponds)
- Participate in economic activities that illustrates how production can occur and minimize negative environmental effects and even help the environment.
- Research why some resources, such as air and water, tend to be abused because we do not, or cannot, assign an economic value to them which means people use them for free and do not face costs for cleaning up the resources that they damage. (Note: Teachers may wish to refer to Garrett Harding's essay Tragedy of the Commons.) Apply the findings of the research to a current issue of shared exploitation of a common resource, e.g., lobster.
- In groups of four or five, students have each group take a different decade and compare the major companies of the world today with those of 30, 40, and 50 years ago and the extent to which their production activities utilized resources and posed potential harm to the environment (e.g., compare the production activities of a steel company with those of a computer software manufacturer.
- In whole class discussion based on a think pair/share create a graphic organizer (e.g. Inquiry T)
- Identify an industry or industries that continues to do considerable harm to the environment and speculate/research why this continues to this day. Then in the obverse identified an industry or industries that has done a great deal to improve its environmental activities and speculate/research why it has chosen this approach. Then compare the two sets of industries so as to determine to the economic incentives/principles at work in their decisions re: environment.

- or more other nations of the world.
- Identify an industry which has done a great deal to improve its environmental activities and explain what has been done to bring about this improvement.
 - Compare economic activities that bring potential harm to the environment with those that help to sustain or improve the environment.
 - Show the important relationship between sustainable development and environmental issues.
 - Examine environmental policies or initiatives undertaken in local communities to help the environment. Speculate as to the worthiness of these initiatives and suggest appropriate alternatives.

SCO 18: Students will be expected to analyse the relationship of Economics and Environmentalism.

Suggestions for Assessment

- Propose a variety of ways in which people could be encouraged, in general, to take better care of the environment and to assign the environment a higher priority when deciding among actions and alternatives.
- Compare the priority that people appear to assign to the environment when economic times are relatively good with the priority assigned when times are more difficult.
- Describe the operation, advantages, and disadvantages of each of the following: pollution-control strategies, direct regulation, taxes on pollution, tradeable pollution credits, lawsuits for damages, and government subsidies.
- Explain the operation, advantages, and disadvantages of each of the following waste-management strategies: landfills, incineration, recycling, and “pay to throw” plans for garbage collection.
- In what ways do the economy and the environment stand as adversaries or allies in efforts to sustain and improve the environment?
- Research the relationship between economic activity and the environment.
- Prepare a summary of examples where business activity has both helped and harmed the environment.
- Develop an “Environmental Code of Conduct” that could serve as a guide to production activity in the economy.

Notes and Resources

- Social Education: Economics and the Environment (volume 61, number 6, October 1997)
- Environmental issue on garbage lesson: <http://ofcn.org/cyber.serv/academy/ace/soc/cecsst/cecsst186.html>
- Environmental protection lesson: http://www.economicsamerica.org/econedlink/minute/archive/minute_990125.html
- Eco terrorism in Colorado lesson: http://www.economicsamerica.org/econedlink/minute/archive/minute_981026.html
- Environmental issues in Botswana lesson: http://www.economicsamerica.org/econedlink/minute/archive/minute_980406.html
- video: *Rain Forest: A Report from Costa Rica* (Duchene Productions, Media Library, LRT, V0810 and 20872)
- Conserving natural resources activity: <http://amos.bus.okstate.edu/guide/IS28.html>
- Pollution activity: <http://amos.bus.okstate.edu/guide/IS30.html>
- *Environomics: Exploring the Links between the Economy and the Environment* (CFEE)

Distribution

Distribution examines sources of income, and spending from an individual, regional and national perspective. Issues will be dealt with dealing with individual and regional economic disparity, the role government plays in the income distribution issue, their powers of taxation, and management of the national economy through fiscal policy. The role of labour organizations in Canada and the study of the importance of labour force statistics are also examined. The unit on Production examines how the economic performance of Canada is measured and the mechanisms that are used to compare Canada's economic performance to that of other countries. The factors that affect production, sustainable economic development and growth, and the concern for the environment are examined. Canada's role as a major exporting country is examined with issues dealing with regional, national and international trade, current and future major world trading blocs and the effects fluctuating exchange rates have on our national economy.

Students will be expected to

- evaluate how choices affect ones (Canadian's) standard of living and quality of life.
- analyse the sources of income, saving and expenditures of individuals, businesses, and governments.
- demonstrate an understanding of the causes and effects of individual and regional disparity.
- explain the role of labour and other organizations in the Canadian economy.
- demonstrate an understanding of the role of governments in the distribution of income and the management of the national economy.
- demonstrate an understanding of the labour market in Canada.

SCO 19: Students will be expected to evaluate how choices affect ones (Canadian's) standard of living and quality of life.

Economic incentives are the additional rewards or penalties people receive from engaging in more or less of a particular activity.

Understanding rewards and penalties helps people to make the choices they need to make in order to achieve their goals. Prices, wages, profits, subsidies, and taxes are common economic incentives. Subsidizing an activity usually leads to more of it being provided; taxing or penalizing an activity usually leads to less of it being provided.

People frequently have good reasons to influence the behaviour of others. For example, businesses try to encourage people to buy more of their products, workers try to persuade employers to hire them and to pay them higher wages, and governments try to induce the production and consumption of some products and discourage the production and consumption of others. To understand or predict the behaviour of people or organizations, students must understand the economic incentives these people or organizations face.

Connections to GCOs and KSCOs

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)
- Students will be expected to demonstrate an understanding of the interdependent relationship among individuals, societies, and the environment - locally, nationally, and globally - and the implications for a sustainable future. (Interdependence)
- Students will be expected to demonstrate an understanding of the interactions among people, places, and the environment. (People, Place, and Environment)

KSCOs

By the end of Grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

evaluate the differences among traditional, command, and market economic systems and explain the development of "mixed" economies.

Analyse the personal, social, and economic implications of paid and unpaid labour.

Evaluate factors that influence the distribution of wealth locally, nationally, and internationally

SCO 19: Students will be expected to evaluate how choices affect ones (Canadian's) standard of living and quality of life.

Outcomes

Delineations of the outcome include but are not limited to the following:

Describe the various reasons why a person might decide to *work*.

- Identify a variety of forms of work and identify the value and contribution of each of the forms of work identified.
- Compare work that is done in return for income with work that is done for other reasons (e.g., work in the home, self-help, volunteering).
- Identify a variety of things that Canadians can do to improve student's ability to earn income.
- Compare the incomes that tend to be earned by a variety of occupations and explain possible reasons for the differences in the incomes earned.
- Describe the impact of "economic incentives" to an economy such as

Suggestions for Teaching and Learning

- Rewards are positive incentives that make people better off.
- Penalties are negative incentives that make people worse off.
- Both positive and negative incentives affect people's choices and behaviour.
- People's views of rewards and penalties differ because people have different values. Therefore, an incentive can influence (different) individuals in different ways.
- Responses to incentives are predictable because people usually pursue their self-interest.
- Changes in incentives cause people to change their behaviour in predictable ways.
- Incentives can be monetary or non-monetary.
- Standards of living increase as the productivity of labour improves.
- Acting as consumers, producers, workers, savers, investors, and citizens, people respond to incentives in order to allocate their scarce resources in ways that provide the highest possible returns to them.
- List examples of rewards that are incentives for positive classroom behaviour.
- List examples of penalties or negative incentives that discourage inappropriate behaviour at home.
- Identify the incentives that would encourage them to read a book, to return their library books on time, to repay money they borrow from the school cafeteria for lunch, and to complete their homework assignments on time; explain why various students respond differently to incentives to do these things. Also, explain why some students will do extra-credit work and some will not.
- People's incomes, in part, reflect choices they have made about education, training, skill development, and careers. People with few skills are more likely to be poor.
- Differentiate among the various *returns* that a person can receive from work (e.g., a sense of accomplishment, enjoyment, sense of making a contribution, receiving an income, receiving other monetary benefits, applying skills, working with others).
- Examine the use of GDP calculation as a measure of the well-being of the economy.
- Analyse profit and its economic significance.
- Explain what GPI is, what it measures and the role it plays in regional economic decision making
- Identify examples of incentives and categorize them as positive or negative incentives in the economy.

Canada's when people can aspire to earn a higher level of income through the application of effort, innovation, creativity, initiative and education.

- analyse the relationship between distribution of wealth and distribution of power.
- Develop the framework for a *career plan* that would help a person to decide the kind of work that he/she might wish to pursue to earn a living.
- Identify incentives that affect people's behaviour and explain how incentives affect their own behaviour.
- Predict future earnings based on their current plans for education, training, and career options.
- Evaluate statistical and economic data to make informed decisions
- Examine the significance of the Genuine Progress Index (GPI) as a measurement of long term qualitative improvements in the society, economy, and environment.

SCO 19: Students will be expected to evaluate how choices affect ones (Canadian's) standard of living and quality of life.

Suggestions for Assessment

Explain why students would or would not be willing to shovel snow when temperatures are below freezing, mow lawns when their friends are going to a movie, or babysit on a weekend evening instead of going with friends to a dance.

- Predict how students's study habits will change if the grading system changes from letter grades to pass/fail to no grades.
- Identify the monetary and non-monetary incentives related to taking a driver's education class.
- Analyse the impact on consumers, producers, workers, savers, and investors of an increase in the minimum wage a new tax policy, or a change in interest rates.
- Explain the impact of an increase in the minimum wage on their ability to secure an after-school job; also explain the impact of this increase on their willingness to work.
- Research careers that are expected to provide many new job opening and explain why. List three careers that are expected to experience a decline in job openings and explain why.
- Consider a career choice; research the amount of education required and the median income for this career. Identify reasons why high school dropouts frequently earn low incomes.
- Review income data for jobs in manufacturing and service industries over the last 25 years. Explain how changes in the structure of the economy, gross domestic product, technology, government prices, and discrimination have influenced income for jobs in these two areas.
- Identify the major changes in the functional distribution of income in Canada between the 1880s and the 1990s. Also, determine whether there have been significant changes in the personal income distribution in Canada over the past 50 years.
- Compare and contrast the incentives as an individual might face in serving as an elected official, the owner of a small business, the president of a large company, and the director of a local United Way office.

Notes and Resources

Statistics Canada

- Centre for the Study of Living Standards: <http://www.csls.ca/>
- Standard of Living lesson: http://www.economicsamerica.org/econedlink/minute/archive/minute_981209.html
- Economics and Income lesson: http://www.economicsamerica.org/econedlink/newsline/teacher/newsline_income_lessons.txt
- Are Sports salaries too high?: <http://amos.bus.okstate.edu/guide/IS02.html>
- Creating wealth activity: <http://amos.bus.okstate.edu/guide/IS42.html>
- *Measuring Sustainable Development: What the Genuine Progress Index can do for Nova Scotia* (Dr. Ronald Colman, CFEE)

SCO 20: Students will be expected to analyse the sources of income, saving and expenditures of individuals, businesses, and governments.

National income can be earned in several different ways by individuals, businesses and all levels of government. The prime ways of earning income is through wages and salaries, rent, interest and profit. Other more complex forms of income include depreciation allowances for business enterprises and taxation for government, specifically indirect taxes. The value of a wage or salary is determined by the value given in our society to the quality and level of demand for skills an individual possesses. Likewise rent is derived as the amount paid or received for the use of things such as a store, a factory, an apartment, houses, cars, tools, and a variety of other commodities, over a period of time. It is the payment made or income earned for the use of productive resources.

Interest is the payment made to or income earned by a lender for the use of money over a certain period of time. Profit is the return on an investment over and above all the costs associated with it. Savings takes on many forms, most of which are dealt with in investing, budgeting and banking sections of Money. Expenditures are dealt with in production and Market sections of this course.

Connections to GCOs and KSCO

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCO (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate an understanding of the rights and responsibilities of citizenship and the origins, functions, and sources of power, authority and governance. (Citizenship, Power, and Governance)
- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)

KSCO

By the end of Grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

Analyse the personal, social, and economic implications of paid and unpaid labour.

analyse how government monetary and fiscal policies, regulations, and trade agreements influence production and distribution of wealth.

Evaluate the consequences of the consumer-oriented society.

SCO 20: Students will be expected to analyse the sources of income, saving and expenditures of individuals, businesses, and governments.

Outcomes

Delineations of the outcome include but are not limited to the following:

define rent and demonstrate how it is determined in particular markets and examine the factors that affect rent

- how is profit determined in our economy and analyse the benefits of profits in an economy
- explain what percentage of total domestic income is attributed to wages, rent, interest, and profit
- examine factors that account for different levels of rent and profit
- explain the paradox of thrift
- explain the income (and expenditure) approaches to measuring the economy's output of goods and services
- explain and apply in another context the multiplier effect
- examine how changes in income, savings, and expenditures affect the economy.

Suggestions for Teaching and Learning

Change in the prices for productive resources affect the incomes of the owners of those productive resources and the combination of those resources used by firms.

- Change in demand for specific goods and services often affect the incomes of the workers who make those goods and services.
- Examine methods or forms of rent, interest, and profit.
- Distinguish between GDP and GNP (GNI and NNI.)
- Discuss the use of GDP as a measure of economic well-being.
- Explain the multiplier-effect using examples

- Examine what affects levels of wages and salaries of individuals
- Explain what interest and interest rates are; how are they calculated
- Analyse the advantages and disadvantages of each of the forms of income
- what role do indirect taxes and depreciation play as sources of income for GNI calculation
- Examine the various forms of saving available to individuals, businesses, and governments
- show the relationship between sources of income, levels of saving and value of expenditure in the Canadian economy
- Identify the various kinds of income that can be earned and the activities that are associated with earning those incomes.

SCO 20: Students will be expected to analyse the sources of income, saving and expenditures of individuals, businesses, and governments.

Suggestions for Assessment

Ask owners of fast-food restaurants why they are willing to pay a wage or salary to workers and explain.

- Survey several adults regarding their sources of income, and determine whether the largest portion of a person's income, for most people, comes from wages and salaries.
- Participate in a market simulation as employers and employees to determine wage rates for labour. Bargaining and negotiation will need to occur. Who should win the negotiations?
- What is an equitable distribution of income in our society.
- How do we consider variations of wealth, along with income, in addressing the issues related to economic inequality?
- Through research, produce a chart that provides a general illustration of the distribution of income in Canada. Divide the class into groups and assign each group a different group in society to research.
- Explain and compare personal income distribution and functional income distribution.

Notes and Resources

Statistics Canada

- Spending Module:
<http://ecedweb.unomaha.edu/vc/library/SQM.PDF>

SCO 21: Students will be expected to demonstrate an understanding of the causes and effects of individual and regional disparity.

Canadians share of the national output is measured primarily by the incomes they each earn. Individual incomes are determined by payments for providing a service or producing a good using our productive resources. The most common form of productive resource is labour (mental or physical) but income can also be earned through natural and capital resources and entrepreneurial skills.

How much income inequality exists in Canada and what should be done about it? What is the federal government's role in the redistribution of income in Canada? Are government attempts to redistribute income harmful to our economy or does greater equality of income mean a higher level of political and social harmony? If the government institutes policies to increase taxes on the more wealthy citizens or corporations of Canada and redistribute the money to the most disadvantaged Canadians through various government programs may act as disincentives to both groups to earn more income.

Connections to GCOs and KSCOs

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate an understanding of culture, diversity, and world view, recognizing the similarities and differences reflected in various personal, cultural, racial, and ethnic perspectives. (Culture and Diversity)
- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)
- Students will be expected to demonstrate an understanding of the interdependent relationship among individuals, societies, and the environment - locally, nationally, and globally - and the implications for a sustainable future. (Interdependence)
- Students will be expected to demonstrate an understanding of the past and how it affects the present and the future. (Time, Continuity, and Change)

KSCOs

By the end of Grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

Evaluate factors that influence the distribution of wealth locally, nationally, and internationally
apply knowledge of economic concepts in developing a response to current economic issues such as disparity and sustainability.

Identify the criteria that one might use to judge the health or success of the economy.

SCO 21: Students will be expected to demonstrate an understanding of the causes and effects of individual and regional disparity.

Outcomes

Delineations of the outcome include but are not limited to the following:

Evaluate the programs and initiatives that have been undertaken to try and assist Canadians who live in conditions of poverty. What factors determine the poverty line? Why does it exist? How is poverty defined?

- How might a negative income tax system work?
- Examine reasons for income inequality existing and offer solutions to the problem.
- Explain the effectiveness of Canadian welfare programs.
- Identify a number of groups within Canadian society who struggle in their efforts to acquire goods and services because of their economic situation (e.g., poor single families).
- Assess the diversity and inequality that exists in economic development in regional and national contexts.

Suggestions for Teaching and Learning

Compare the incomes that are earned by a variety of sample Canadian households and then explain the possible reasons for those variations.

- Identify a variety of people who earn relatively high levels of income in Canada and the potential reasons why they are able to earn such incomes.
- Discuss the implications of a “social union” on Canada.
- Examine how our universal income security program works.
- Identify groups that have a particular tendency to be poor.
- Examine Canadian programs designed to deal with the problem of poverty.
- Identify some of the individuals, organizations, and programs that are in place to assist those Canadians who require what is produced.
- Identify those Canadians who tend to be most vulnerable to economic hardship during periods of economic decline and explain some of the reasons for their vulnerability.
- Two methods for classifying how income is distributed in a nation—the personal distribution of income and the functional distribution, reflect, respectively, the distribution of income among different groups of households and the distribution of income among different business and occupations in the economy.
- Compare the economic hardship that can be presented for people when the economy is in a period of decline with the economic opportunity that can be generated when the economy is in a period of growth.

- Identify a variety of programs and policies that have been, or could be, implemented to assist Canadians who experience economic hardship.
- Discuss growth and regional disparities in Canada.
- Explain recent trends in the distribution of income in Canada.
- discuss criteria for income distribution
- Discuss the concept of “compassion” as it applies to those who are economically successful assisting those in economic difficulty.
- Compare factors that can lead to a person being unable to find and/or maintain employment.
- Discuss the responsibility of society in general to those who are unable to find work in the economy.
- Compare the situation of one or more Canadians who earn a relatively high level of income through their labour versus others who earn a relatively high level of income from other sources.
- Explain how the poverty line changes

with different
marital status and
family size plus
geographic location.

- Discuss the effects of transfer payments on income disparities in Canada.
- Assess the effectiveness of Canada's welfare programs.

SCO 21: Students will be expected to demonstrate an understanding of the causes and effects of individual and regional disparity.

Suggestions for Assessment

What efforts might be undertaken to decrease the level of poverty on our society.

- Evaluate the role played in our economy by the welfare system.
- Suggest possible solutions to help reduce the number of poor from particular groups.
- Evaluate the success/failure of programs dealing with poverty and income inequality.
- Propose some initiatives that could be undertaken by individual Canadians, Canadian companies, and Canadian governments to assist those who live in conditions of poverty both in Canada and in other countries.
- Develop a rationale for why assistance should be provided to those who live in conditions of poverty.
- Propose a number of reasons why there are Canadians, and Canadian households, living in conditions of poverty.

Notes and Resources

Government of Canada
program and Services:
http://canada.gc.ca/programs/pgreind_e.html

- Department of Finance:
<http://www.fin.gc.ca>
- Statistics Canada:
<http://www.statcan.ca/start.html>
- Industry Canada:
<http://info.ic.gc.ca/cm/b/welcomeic.nsf/pages/02engfr.htm>
- Industry Canada's Strategies page:
<http://strategis.ic.gc.ca/engdoc/main.html>
- Department of Finance Homepage:
<http://www.fin.gc.ca/fin-eng.html>
- video: *Seaway to the Heart* (NFB, Media Library, LRT, V0122)

SCO 22: Students will be expected to explain the role of labour and other organizations in the Canadian economy.

The price of productive resources (labour) is determined by the supply of and demand for labour. Labour unions strive to protect the rights of the workers and have allowed large groups to bargain collectively with employers. Every province in Canada has a labour relations act outlining procedures to be followed in the certification of unions and in the collective bargaining process.

All provinces have minimum wage laws and the labour movement and unions act to ensure items such as hours of work, health and safety, public holidays, vacation time and equal opportunities for employment are enforced in a fair, equitable and legal manner.

Connections to GCOs and KSCO

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCO (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate an understanding of the rights and responsibilities of citizenship and the origins, functions, and sources of power, authority and governance. (Citizenship, Power, and Governance)¹
- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)³
- Students will be expected to demonstrate an understanding of the interdependent relationship among individuals, societies, and the environment - locally, nationally, and globally - and the implications for a sustainable future. (Interdependence)⁴
- Students will be expected to demonstrate an understanding of the past and how it affects the present and the future. (Time, Continuity, and Change)
-

KSCO

By the end of Grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

evaluate the differences among traditional, command, and market economic systems and explain the development of “mixed” economies.

Evaluate factors that influence the distribution of wealth locally, nationally, and internationally

SCO 22: Students will be expected to explain the role of labour and other organizations in the Canadian economy.

Outcomes

Delineations of the outcome include but are not limited to the following:

Describe the concepts of a *union* and the role that unions can serve on behalf of the employees of a company.

- Compare the working conditions associated with a range of occupations.
- Describe various ways technology can influence conditions in the workplace.
- Explain the collective bargaining process for employees and unions and explain the purpose of each step in the process.
- Examine the role, structure, and impact that labour unions in Canada have on the collective bargaining process.
- Differentiate between the many types of workers' protests that may occur.
- Analyse the process the essential services must go through for a collective

Suggestions for Teaching and Learning

Read about the establishment of the CLC. Explain why it emerged and what procedures it used to gain benefits for its members.

- Through the process of collective bargaining with employers, labour unions represent some workers in negotiations involving wages, fringe benefits, and work rules. Examine a collective contract.
- Examine the effects of labour unions in the labour market.
- Use labour terms to explain the collective bargaining process.
- Look at how wages are determined in a non-union sector of the economy.
- Explain the difference between compulsory arbitration and compulsory conciliation.
- Analyse a recent labour conflict in Canada.

agreement since they do not have the right to strike.

- Examine union membership over time in Canada.
- Explain how a work relationship can be affected by “labour-management relations” and how the relationship can vary significantly from company to company.
- Examine the effects of minimum wage laws on a low-wage labour market.
- Explain the aims and functions of unions and other labour organizations and assess their roles in the workplace.

SCO 22: Students will be expected to explain the role of labour and other organizations in the Canadian economy.

Suggestions for Assessment

Have the class research an industry and role-play contract negotiations between labour and management teams. Ask each side to use current economic data in its bargaining position and to include issues for negotiation (e.g., wages, benefits, contract terms, the need to realize a profit). Include external groups (e.g., the public, environmental lobbies, the organization's clients or vendors) in the simulation. Ask the class to compare and evaluate the negotiated settlement from the perspective of the different groups.

- Why has union membership declined in Canada since it reached its peak in the 1970s.
- In researching a labour conflict in Canada, analyse what the issues were (both sides), how long the conflict lasted, how the conflict turned out, the effects on each side during and after the strike, and what could be learned from the conflict.

Notes and Resources

Canadian Labour Congress
Web Page:

<http://www.clc-ctc.ca/policy/index.html>

- Another look at unions:
<http://amos.bus.okstate.edu/guide/IS41.html>
- International labour organization:
www.ilo.org
- panel debate with speakers pro/anti labour taking positions

SCO 23: Students will be expected to demonstrate an understanding of the role of governments in the distribution of income and the management of the national economy.

Government decisions on taxation, spending, public goods, and regulation all impact what is produced, how it is produced, and who receives the benefits of production. Governments also make efforts to resolve economic disputes and problems.

The federal government's taxation and spending policies and Bank of Canada's monetary policies affect the nation's overall levels of employment, output, and prices. However, many government taxation and spending activities are undertaken for other reasons, as well. Government expenditures for national defense, human services, and other purposes are made to meet specific objectives and not primarily because of their fiscal policy effects. Other important objectives must be merged with the goals of full employment, price stability, and economic growth. Therefore, government programs may have contradictory effects upon employment and inflation. Understanding these effects is complicated also by the time lags that occur before action taken pursuant to a specific policy begins to affect overall levels of employment, output, and prices.

In spite of these difficulties, policy makers and the general public continue to examine and debate the overall stabilization effects of public policy actions, because the consequences are so important. Citizens should understand the role of conflicting objectives and the limitations on the effectiveness of economic stabilization policies in order to develop realistic expectations about what can be accomplished with taxation, spending, and monetary policies.

Do government officials try to promote the general welfare of the nation, or are they guided by their own self-interests? Businesses that fail to satisfy consumer wants go bankrupt; but how do we know when government programs fail, and how do we change or eliminate failed government programs? Why do some farmers receive large subsidies from the government, and why are many businesses protected from competition by tariffs or quotas even when only a small percentage of the U.S. labor force is employed in those industries? Why don't taxpayers rise up and put a stop to the favoritism accorded to certain industries and special interest groups? And why do so few people participate in the political process, and so many choose not to register or vote?

It is important to realize that governments, like markets, also have shortcomings and imperfections. Citizens should understand the sources of these imperfections, including the distribution of costs and benefits of some programs that lead to special interest problems, the costs involved in gathering and using information about different candidates and government programs, and the incentives that can induce government leaders and employees to act in ways that do not promote the general national interest. Understanding this allows citizens to compare actual with ideal government performance, and to decide about the appropriate roles for federal, state, and local government.

Connections to GCOs and KSCO

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCO (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate an understanding of the rights and responsibilities of citizenship and the origins, functions, and sources of power, authority and governance. (Citizenship, Power, and Governance)¹
- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)³

OUTCOMES

- Students will be expected to demonstrate an understanding of the past and how it affects the present and the future. (Time, Continuity, and Change)

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KSCOs

By the end of Grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

analyse how economic decisions are made by individuals, organizations, and governments, based on scarcity and opportunity cost

evaluate the differences among traditional, command, and market economic systems and explain the development of “mixed” economies.

analyse how government monetary and fiscal policies, regulations, and trade agreements influence production and distribution of wealth.

SCO 23: Students will be expected to demonstrate an understanding of the role of governments in the distribution of income and the management of the national economy.

Outcomes

Delineations of the outcome include but are not limited to the following:

Outline and give examples of policies that a government can use to influence its economy.

- Describe factors that can influence government policy decisions.
- Evaluate methods governments use to collect revenue and the impact of these methods on society and business.
- analyse the effects on the Canadian economy of government budget deficits and the accumulation of debt over a period of time
- Describe the effect of federal and provincial transfer payments on the levels of economic activity and employment.
- Explain the role of government in producing goods, delivering services, and regulating the economic endeavours of business.

Suggestions for Teaching and Learning

In the short run, increasing federal spending and/or reducing taxes can promote more employment and output, but these policies also put upward pressure on the price level and interest rates. Decreased federal spending and increased taxes tend to lower price levels and interest rates, but they reduce employment and output levels in the short run.

- In the long run, the interest rate effects of fiscal policies lead to change in private investment spending by businesses and individuals that partially, if not entirely, offset the output and employment effects of fiscal policy.
- The federal government's annual budget is balanced when its revenues from taxes and user fees equal its expenditures. The government runs a budget deficit when its expenditures exceed its revenues. The government runs a surplus when its revenues exceed its expenditures.
- When the government runs a budget deficit, it must borrow from individuals, corporations, or financial institutions to finance that deficit.
- The national debt is the total amount of money the federal government owes. This is the accumulated net sum of its annual deficits and surpluses. The government pays interest on the money it borrows to finance the national debt.
- Outline the fiscal policies they would recommend to correct each of the following: rising unemployment and rising inflation. Explain each recommendation.
- From groups of students, each representing one of the ten provinces or the federal government. Have each provincial group research its province's economic status and past transfer payments. Have the federal group arbitrate on the basis of national considerations.
- Most federal tax revenue comes from personal income and payroll taxes. Payments to social security recipients, the costs of national defense, medical expenditures, and interest payments on the national debt constitute the bulk of federal government spending.
- Most provincial and local governments revenues come from sales tax, grants from the federal government, personal income taxes, and property taxes. The bulk of provincial and local government revenue is spent for education, public welfare, road construction and repair, and public safety.
- Research and review Canada's history of deficits since 1967.
- Identify methods to reduce the national debt.
- Explain that the federal debt is financed through the sale of government securities and identify the percentage of debt owed to foreigners.
- Explain the difference between the budget deficit and the national debt.
- Describe how government decisions on taxation, spending, public goods, and regulation impact what is produced, how it is produced, and who receives the benefits of production.

- Examine how wage and price controls affect the economy.
- Explain some of the factors that can influence how much an individual or household might pay in tax.
- Identify the various taxes that are paid by Canadians and compare the extent to which these taxes can vary with respect to the level of income that is earned.
- Demonstrate the effects of fiscal policy on the business cycle.
- Distinguish between types of fiscal policy and economic stabilizers in the economy.
- Compare the actions that the federal government can take to try and boost production when the economy is in decline to what the government can do to slow down the economy if it is expanding too quickly and creating risks for inflation.
- Distinguish between different types and forms of taxation.
- Analyse the effects of taxes on different groups of people in the Canadian economy.
- Examine how government actions and policies, including taxes, spending, and regulations influence the operation of economies.
Explain the impact of government taxing and spending decisions on specific individuals, households, businesses, governments, and societies (for example, social security and Small Business Administration, national debt);
- Describe the economic roles of government, such as establishing fiscal policy, providing public goods and services, maintaining competition, generating and using revenues, promoting employment, stabilizing prices, and sustaining reasonable rates of economic growth (for example, Medicaid, and public education); and list the commonly accepted economic responsibilities of government in the economy.
- Explain the use of government subsidies and taxes to influence the output of certain goods and services.
- Compare the major sources of federal, state and local revenues.
- Define externalities and explain how the government deals with them.
- Define property rights and explain how government protects property rights.
- Describe special interest groups and explain their objectives.
- Explain how changes in tax policy affect economic growth or reduce inflation.

- Discuss the limitations of fiscal policy.
- Formulate hypothesis on the relationship of the national debt to the level of economic activity.
- Compare and contrast different types of taxes, including progressive, regressive, and proportional taxes;
- Explain the role of government in income redistribution.
- Define fiscal policy and identify examples of fiscal policy measures.
- Explain the effects of expansive and contractionary fiscal policy.
- Describe the effects of specific government regulations on different groups, including consumers, employees, and businesses (for example, unfunded mandates); and contrasting the concept of customer and consumer.

SCO 23: Students will be expected to demonstrate an understanding of the role of governments in the distribution of income and the management of the national economy.

Suggestions for Assessment

Determine whether the budget is in surplus, in deficit, or balanced, and whether the effect upon the economy is contractionary, expansionary, or neutral if the government receives \$800 billion in taxes and

- government spending is \$800 billion
- government spending is \$900 billion
- government spending is \$700 billion
- Determine how long it would take to pay off all of the national debt at the current rate of GDP if all GDP were devoted to that purpose.
- Anticipate the impact of the federal government's and Bank of Canada's macroeconomic policy decisions on themselves and others.
- Formulate a hypothesis on the relationship of the national debt to the level of economic activity.
- Use assignments such as the following to provide insight into students' understanding of the impact of government intervention:
 - Students research and analyse a freeze imposed by the Canadian or Nova Scotia government (e.g., rent, car insurance rates, hiring, wages, utility rates), including its impact on the private sector.
 - Students examine the impact of the decision by a Crown corporation to intervene in a sector of the economy (e.g., BC Ferry Corporation subsidizing the province's shipbuilding sector, Michelin Tire). Considerations might include job creation, preservation of the sector, increase in the use of technology, and designing skills available for export.

In assessing their assignments, look for evidence that students are able to:

- identify the economic philosophies involved
- provide thorough and logical analyses of the impact on the private sector
- consider both short- and long-term implications
- Have students present analyses of the effects and implication of specific government environmental regulations (e.g. business antipollution laws). Look for accuracy, thoroughness, logic, and insight in their work.
- Ask students to research, analyse, and report on the impact of government-run lotteries over a 10-year period. Reports should include:
 - effective use of government publications and databases
 - graphs that accurately plot the number of lotteries and the dollar amounts generated over time
 - analyses of social implication and revenue dependency
- Ask the class to compare individual and government debt, savings, collateral, income, net assets, ability to pay, and amortization periods. Have students examine issues such as why government debt can be perpetual and who pays for the deficit.

Notes and Resources

Government of Canada program and Services:

http://canada.gc.ca/programs/pgind_e.html

- Department of Finance: <http://www.fin.gc.ca>
- Statistics Canada: <http://www.statcan.ca/start.html>
- Industry Canada: <http://info.ic.gc.ca/cm/b/welcomeic.nsf/pages/02engfr.htm>
- Industry Canada's Strategies page: <http://strategies.ic.gc.ca/engdoc/main.html>
- Fiscal & monetary policy lesson: <http://www.col-ed.org/cur/sst/sst136.txt>
- Budget and Fiscal update info: <http://www.fin.gc.ca/access/budinfoe.html>
- Department of Finance Homepage: <http://www.fin.gc.ca/fin-eng.html>
- Government & economics: <http://www.col-ed.org/cur/sst/sst15.txt>
- Canada's national debt Clock (unreliable stat): <http://www.cam.org/~mdavies/cgi-bin/CanClockX.cgi>
- Economics of voting lesson: <http://www.economics>

- Ask each student to choose a local infrastructure project (e.g., bridge, sports facility) and interview a person in a position of authority involved in the project (regulating body, government). Have each student compare the capital, social, political, environmental, and human resource costs to determine the advantages and disadvantages of building it as a private or public project. Have students present their analyses, using graphics where appropriate.
 - Ask students to form two parliamentary committees with the object of ending the current deficit or creating more employment. With Committee A using fiscal policy on and Committee B using monetary policy only, have them formulate and present recommendations to the Nova Scotia or federal Minister of Finance.
 - Have students examine the various ways in which governments collect revenue (e.g., through taxes, tariffs, licenses, user fees, surcharges, insurance, duties). Ask them to discuss the fairness and efficiency of each, research what other countries have done, and develop alternatives.
- america.org/econedlink/minute/teacher/T981102.html
- Federal deficit activity: <http://amos.bus.okstate.edu/guide/IS14.html>

SCO 24: Students will be expected to demonstrate an understanding of the labour market in Canada.

In a market economy, wages and salaries the prices of labour services are determined just as other prices are, by the interaction of buyers and sellers. The buyers of labour services are employers. They are willing to pay higher wages and salaries to employees who can produce more or better goods or services in a given amount of time. Students who understand this will appreciate the value of the skills they can acquire by completing high school, and perhaps college or a vocational training program.

Understanding the forces affecting wages and other sources of income will be increasingly important in the future, when workers may change employers and careers more often than in the past. Regardless of the occupations or industries in which today's students eventually work, they are likely to find that they will have to continue their education and training to maintain or increase their earnings.

Connections to GCOs and KSCOs

In the course of working towards attainment of this SCO, students will be working towards attainment of the following GCOs and KSCOs (Individuals, Societies and Economic Decisions)

GCOs

- Students will be expected to demonstrate an understanding of culture, diversity, and world view, recognizing the similarities and differences reflected in various personal, cultural, racial, and ethnic perspectives. (Culture and Diversity)²
- Students will be expected to demonstrate the ability to make responsible economic decisions as individuals and as members of society. (Individuals, Societies, and Economic Decisions)³
- Students will be expected to demonstrate an understanding of the past and how it affects the present and the future. (Time, Continuity, and Change)

KSCOs

By the end of Grade 12, students will have achieved the outcomes for entry-grade 9 and will also be expected to

Analyse the personal, social, and economic implications of paid and unpaid labour.

Evaluate factors that influence the distribution of wealth locally, nationally, and internationally

Identify the criteria that one might use to judge the health or success of the economy.

SCO 24: Students will be expected to demonstrate an understanding of the labour market in Canada.

Outcomes

Delineations of the outcome include but are not limited to the following:

Explain the demand for and supply of labour

- Examine the purpose of a labour force survey
- Calculate the unemployment rate for the labour force survey. What does it measure?
- Differentiate between different types of unemployment
- Explain why changes in the unemployment rate should be carefully interpreted.
- Outline factors that can influence levels of employment in the economy.
- Show how the labour force participation rate is determined.
- Relate how employment/unemployment figures are indicators of the health of the economy.
- What factors contribute to the changes in Canada's unemployment rate.

Suggestions for Teaching and Learning

The labour force consists of people aged 16 and over who are employed or actively seeking employment.

- The unemployment rate is the percentage of the labour force that is willing and able to work, does not currently have a job, and is actively looking for work.
- The unemployment rate is an imperfect measure of unemployment because it does not
 - include workers whose job prospects are so poor that they are discouraged from seeking jobs
 - reflect part-time workers who are looking for full-time work.
- Unemployment rates differ for people of different ages, races, and sexes. This reflects differences in work experience, education, training and skills, as well as discrimination.
- Unemployment can be caused by people changing jobs, by seasonal fluctuations in demand, by changes in the skills needed by employers, or by cyclical fluctuations in the level of national spending.
- Full employment means that the only unemployed people in the economy are those who are changing jobs.
- Expectations of increased inflation may lead to higher interest rates.
- When unemployment exists, an economy's production is less than potential GDP and some labour resources are not used.
- Identify goods or services that could be produced if the local community's unemployment had jobs. Draw a flow chart that shows a ripple effect resulting from unemployment in a particular industry or community.
- Changes in the structure of the economy, the level of gross domestic product, technology, government policies, and discrimination can influence personal income.
- In a labour market, in the absence of other changes, if wage or salary payments increase, workers will increase the quantity of labour they supply and firms will decrease the quantity of labour they demand.
- Discuss the effects of discrimination in the labour market
- Examine historical causes for employment shifts in the Canadian economy.
- Examine the increasing role played by women and minorities in our economy.

- Explain why, over time, the definition of full employment changes
- Demonstrate how in a competitive labour market it is determined by business the number of workers to hire.
- Outline factors that may shift or change the demand for or supply of labour
- Assess factors that account for wage differentials among workers.
- Examine issue in the Canadian labour market such as discrimination, forced retirement, a national versus regional wage for civil servants

Explain how fiscal policy can be used to affect employment levels.

- Show how fiscal policy can be used to combat a recession and inflation.
- Compare the present role of women and minority groups in the economy to those of the past.
- Analyse the wage gap between male and female workers.
- Examine the costs of unemployment on the Canadian economy
- Analyse what are the economic and social

costs of
unemployment.

SCO 24: Students will be expected to demonstrate an understanding of the labour market in Canada.

Suggestions for Assessment

Calculate the unemployment rate for the following situation: Berks County has 200,000 people. Of that population, 70,000 are full-time housewives, students, children, retired people, or people not looking for work. Of the remaining residents of Berks County, 110,000 people have jobs. Explain why the following may be true: A weekly news magazine reports that the current unemployment statistic does not accurately reflect the true impact of unemployment.

- Locate data pertaining to unemployment rates for the young people and minorities, and explain why unemployment rates for these groups differ from the unemployment rates for other groups in the economy.
- Give examples of each type of unemployment, analyse the differences among them, and identify which types cause more serious problems in the economy.
- Explain why some people are unemployed when the economy is said to be functioning at full employment.
- Determine the current price for a pair of designed sunglasses that cost \$50 in 1982, assuming the price has increased at the average rate of inflation.
- Determine whether each of the following is counted as a member of the labour force:
 - an elementary school students who has a paper route
 - an army captain
 - a retired butcher
 - an insurance salesperson
 - a woman who has decided not to work outside the home until her children are in school
 - a 42-year-old civil engineer who looked for a job for two years, but finally gave up searching when he could not find work in that field.

Notes and Resources

Statistics Canada:

<http://www.statcan.ca/start.html>

- Division of labour lesson:
<http://www.col-ed.org/cur/sst/sst73.txt>
- Minimum wage lesson (US):
http://www.economicsamerica.org/econedlink/minute/archive/minute_981005.html
- video: *Failing Grades* (Vicom, Media Library, LRT, 20793)
- Unemployment lesson:
<http://www.economicsamerica.org/econedlink/cyberteach/unemp.html>
- Learning about education:
<http://amos.bus.okstate.edu/guide/IS11.html>
- Working women:
<http://amos.bus.okstate.edu/guide/IS45.html>
- *Women in the Workforce* (CFEE 1986)