

The following instructional plan is part of a GaDOE collection of Unit Frameworks, Performance Tasks, examples of Student Work, and Teacher Commentary for the Economics Social Studies Course.

Economics – Unit 4 - Macroeconomics

Elaborated Unit Focus	<p>In this unit, students will demonstrate their knowledge of macroeconomic concepts. Incorporating the theme of Incentives, students will analyze how various tools of fiscal and monetary policy can be used to improve economic performance. Applying the theme of Interdependency, students will discuss the impact of fiscal and monetary policies, the trade-offs policy makers must consider, and how different policy options increase or reduce the national deficit/debt. Using the theme of Scarcity, the students discuss how a nation's economic system and its prioritization of social economic goals will influence policy options as well as the type of and distribution methods for public goods and services.</p>
Connection to Connecting Theme/Enduring Understandings	<p>Incentives</p> <ul style="list-style-type: none"> • Taxing decisions • Tools of the Fed • Frictional unemployment <p>Interdependency</p> <ul style="list-style-type: none"> • Government decisions and their effects • Components of Macroeconomics • Fiscal and Monetary Policy • Structural and Cyclical unemployment • Business cycle and relationship to unemployment • Deb/Deficit relationship <p>Scarcity</p> <ul style="list-style-type: none"> • Ways different economic systems answer basic economics questions • Government distribution of goods and services • Decision in relation to measuring the economy
GSE for Social Studies (standards and elements)	<p>SSEF4 Compare and contrast different economic systems and explain how they answer the three basic economic questions of what to produce, how to produce, and for whom to produce.</p> <ol style="list-style-type: none"> a. Compare traditional, command, market, and mixed economic systems with regard to private ownership, profit motive, consumer sovereignty, competition, and government regulation. b. Analyze how each type of system answers the three economic questions and meets the broad social and economic goals of freedom, security, equity, growth, efficiency, price stability, full employment, and sustainability. c. Compare and contrast strategies for allocating scarce resources, such as by price, majority rule, contests, force, sharing, lottery, authority, first-come-first-served, and personal characteristics. <p>SSEF5 Describe the roles of government in the United States economy.</p> <ol style="list-style-type: none"> a. Explain why government provides public goods and services, redistributes income, protects property rights, and resolves market failures. b. Explain the effects on consumers and producers caused by government regulation and deregulation. <p>SSEMA1 Illustrate the means by which economic activity is measured.</p> <ol style="list-style-type: none"> a. Identify and describe the macroeconomic goals of steady economic growth, stable prices, and full employment. b. Define Gross Domestic Product (GDP) as the sum of Consumer Spending, Investment, Government Spending, and Net Exports (output expenditure model).

	<ul style="list-style-type: none"> c. Define unemployment rate, Consumer Price Index (CPI), inflation, real GDP, aggregate supply and aggregate demand and explain how each is used to evaluate the macroeconomic goals from SSEMA1a. d. Give examples of who benefits and who loses from unanticipated inflation. e. Identify seasonal, structural, cyclical, and frictional unemployment. f. Define the stages of the business cycle, including: peak, contraction, trough, recovery/expansion as well as recession and depression. <p>SSEMA2 Explain the role and functions of the Federal Reserve System.</p> <ul style="list-style-type: none"> a. Explain the roles/functions of money as a medium of exchange, store of value, and unit of account/standard of value. b. Describe the organization of the Federal Reserve System (12 Districts, Federal Open Market Committee (FOMC), and Board of Governors). c. Define monetary policy. d. Define the tools of monetary policy including reserve requirement, discount rate, open market operations, and interest on reserves. e. Describe how the Federal Reserve uses the tools of monetary policy to promote its dual mandate of price stability and full employment, and how those affect economic growth. <p>SSEMA3 Explain how the government uses fiscal policy to promote price stability, full employment, and economic growth.</p> <ul style="list-style-type: none"> a. Define fiscal policy. b. Explain the effect on the economy of the government's taxing and spending decisions in promoting price stability, full employment, and economic growth. c. Explain how government budget deficits or surpluses impact national debt.
Connection to Literacy Standards for Social Studies	L9-10 RHSS7, RHSS9, WHST7, WHST8, WHST9 L11-12 RHSS7, RHSS9, WHST7, WHST8, WHST9
Connection to Social Studies Matrices (information processing and/or map and globe skills)	Information Processing 1, 3, 5, 9, 11, 12, 14, 15, 16



Essential Questions and Related Supporting/Guiding Questions

Enduring Understanding 1	<ol style="list-style-type: none"> 1. Why is economic activity measured? <ol style="list-style-type: none"> a. How can GDP, Inflation, and Unemployment be used to describe the wellbeing of the economy? b. Why do Structural and Frictional Unemployment always exist, while cyclical unemployment is only temporary? c. What is the connection between Real GDP and Unemployment? d. In what ways do you participate in the circular flow of the financial system? e. How do business cycles affect my personal income?
Enduring Understanding 2	<ol style="list-style-type: none"> 2. How should monetary policy influence price stability, full employment and economic growth? <ol style="list-style-type: none"> a. How does the money supply effect price levels? b. How do interest rates act as an incentive to save or spend? c. What is the real reason the U.S. dollar has value? d. What role does money play in an economic system?
Enduring Understanding 3	<ol style="list-style-type: none"> 3. How should fiscal policy decisions affect the nation's economy? <ol style="list-style-type: none"> a. How does tax policy affect household spending? b. Why does the federal government run deficits and increase national debt? c. What is the Fed's role in determining the well-being of the economy?

Sample Instructional Activities/Assessments

GDP: Does it Measure Up?

Students will read and annotate the article “GDP: Does it Measure Up?” followed by answering the accompanying guided reading questions.

GSE Standards and Elements	SSEMA1 Illustrate the means by which economic activity is measured. b. Define Gross Domestic Product (GDP) as the sum of Consumer Spending, Investment, Government Spending, and Net Exports (output expenditure model).
Literacy Standards Social Studies Matrices Enduring Understanding(s)	L9-10 RHSS7, RHSS9 L11-12 RHSS7, RHSS9 Information Processing 1, 3, 5, 9, 11, 12, 14, 15, 16 Interdependency Scarcity

Task 1

Writing to Learn Strategy

GIST- Generating Interactions between Schemata and Texts

- GIST (Cunningham 1982) is a strategy designed to help students learn to write organized and concise summaries. Summaries restate only the author’s main ideas, omitting all examples and evidence used in supporting and illustrating points. For students who are at a loss as how to put a reading into their own words, GIST can be used as a step by step method.
- The teacher should begin with modeling the technique by coaching the class through a paragraph. After modeling assign a reading for students to do independently.

	1) Read the first sentence and summarize its contents in fifteen words or less.
	2) Read the second sentence and summarize the two sentences in fifteen words or less.
	3) Read the third sentence and summarize the three sentences in fifteen words or less.
	4) Continue until the paragraph is read.
	5) Then summarize the entire paragraph in fifteen words or less.

Resource Links:

- Page One “GDP: Does it Measure Up?” article and guided questions
<https://files.stlouisfed.org/files/htdocs/pageone-economics/uploads/newsletter/2013/PageOneCE0513.pdf>
Scott A. Wolla, "GDP: Does It Measure Up?," Page One Economics, May 2013
- Harvard Library: PDF of “Interrogating Texts”
 - http://guides.library.harvard.edu/ld.php?content_id=12548868

Task 2

Students will read and annotate the article “GDP: Does it Measure Up?” followed by answering the accompanying guided reading questions.

How to annotate:

While reading, students mark the pages for important information, text meaning or key details, ideas and questions.

Avoid using a highlighter! Use a pencil or pen to note.

Suggested annotation strategies:

- In the margins, summarize in your own words key concepts.
 - Bracket **[important]** passages.
 - Connect related ideas with lines or arrows.
 - **Underline** important ideas/details.
 - Place asterisks * or exclamation points next to unusual or surprising details!!
 - **Circle** words or information you don't understand.
 - Rank your annotations based on their importance to the passage, **1, 2, 3, 4, 5.**
- 

Is this GDP?	
Students will decide if events will be included or excluded in GDP.	
GSE Standards and Elements	SSEMA1 Illustrate the means by which economic activity is measured. b. Define Gross Domestic Product (GDP) as the sum of Consumer Spending, Investment, Government Spending, and Net Exports (output expenditure model).
Literacy Standards Social Studies Matrices Enduring Understanding(s)	Information Processing 1, 3, 5, 9, 11, 12, 14, 15, 16 Interdependency Scarcity

Using the definition of GDP as a guide, decide if the following events are counted in GDP. Enter each event into the correct GDP category of the graphic organizer. Please write the number of the event and be sure to include whether the event increases or decreases GDP. Event one has been completed for you.

Write the Definition of GDP before you begin:

GDP- _____

Economic Events

1. Income tax reductions allow consumers to purchase more durable goods. (**Performed for you**)
2. Oranges purchased for use in the production of orange juice.
3. Japan experiences an economic boon and buy more U.S made goods and services.
4. Purchase of Chinese made steel to produce cars & other machinery.
5. To encourage growth, the government decides to increase expenditures on infrastructure projects.
6. Excess inventories related to an economic slowdown.
7. A trade war erupts; China increases tariffs on American goods.
8. With a more favorable exchange rate, Mexico experiences a surge in the number of American vacationers.
9. Businesses use new government subsidies to increase purchases of new capital goods.
10. Retirees boost retirement savings by purchasing more mutual funds.
11. Households become more optimistic about the future, car manufactures struggle to keep up with the increased demand.
12. Government cuts military spending to achieve a balanced budget.
13. Economic future becomes uncertain; businesses reduce the number of new factories.
14. New housing starts begin to recover and grow after the Great Recession.
15. Sales of goods from thrift stores increases during an economic slowdown.

CONSUMPTION SPENDING

1. Increases GDP

INVESTMENT SPENDING

GROSS DOMESTIC PRODUCT

$$\underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad} (\underline{\quad} - \underline{\quad}) = \underline{\quad}$$

GOVERNMENT SPENDING

NET EXPORTS

(Exports *minus* Imports)

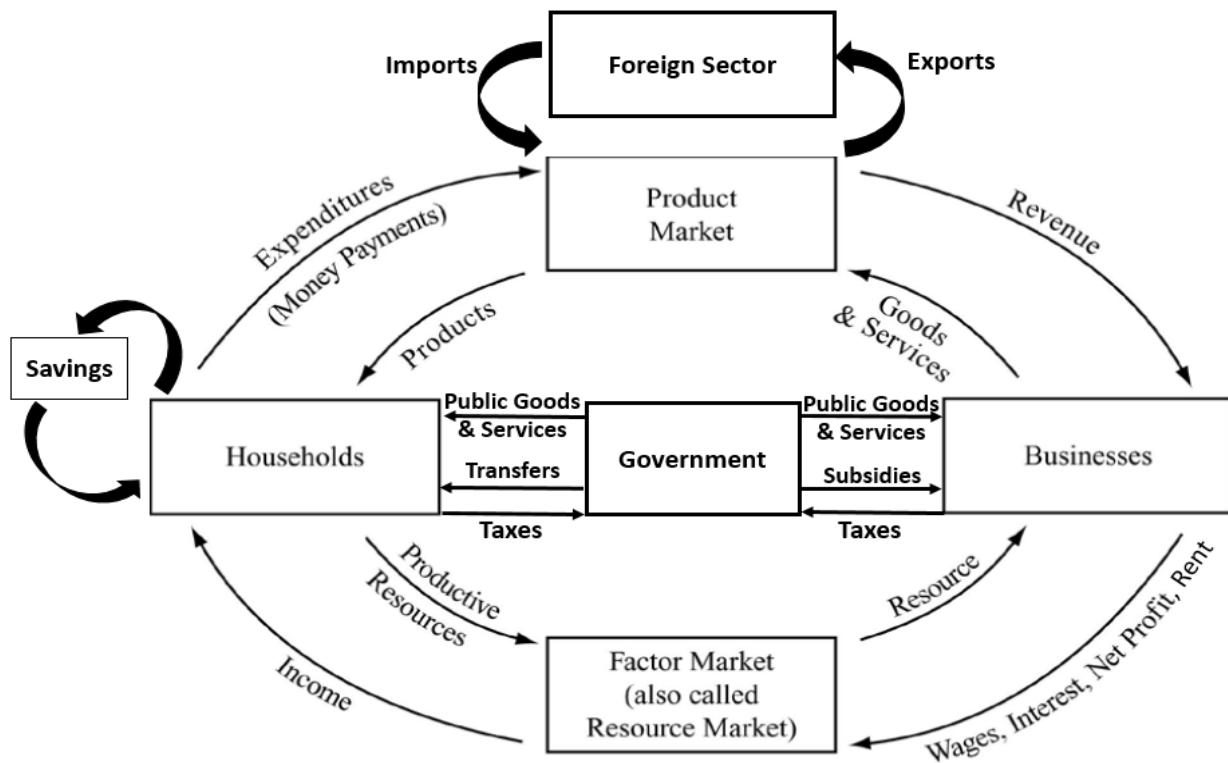
EXCLUDED from GDP

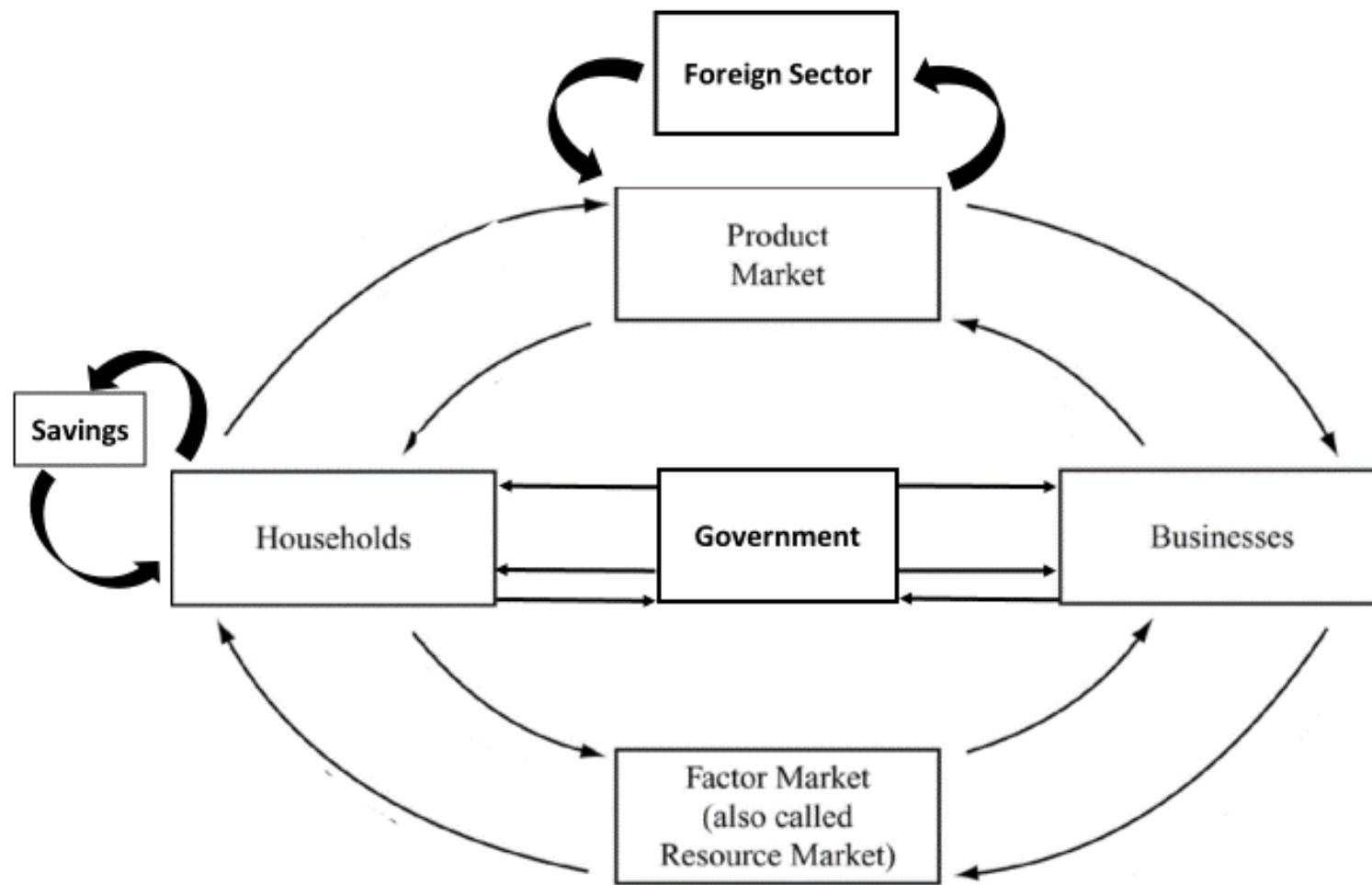
GDP & Me

Students will insert their family's transactions that contribute to GDP into a circular flow model.

GSE Standards and Elements	SSEMA1 Illustrate the means by which economic activity is measured. b. Define Gross Domestic Product (GDP) as the sum of Consumer Spending, Investment, Government Spending, and Net Exports (output expenditure model).
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Draw the Circular Flow of Economic Activity on a large poster board (an example is provided below). Next, insert your family's economic activities into the Circular Flow represented by the arrows. An example might be: My grandmother purchased gasoline while driving me to school this morning. This transaction could be documented by the arrow representing expenditures, revenue, or the goods & services area of the model. You must include 20 transactions and you may have no more than 2 transactions for each arrow of your circular flow model. A completed version of the Circular Flow of Economic Activity is included as a reference.





What's in Your Market Basket?

Students will read and annotate the article "What's in Your Market Basket?" followed by answering the accompanying guided reading questions.

GSE Standards and Elements SSEMA1 Illustrate the means by which economic activity is measured.	c. Define unemployment rate, Consumer Price Index (CPI), inflation, real GDP, aggregate supply and aggregate demand and explain how each is used to evaluate the macroeconomic goals from SSEMA1a. d. Give examples of who benefits and who loses from unanticipated inflation.
Literacy Standards Social Studies Matrices Enduring Understanding(s)	L9-10 RHSS7, RHSS9, WHST7, WHST8, WHST9 L11-12 RHSS7, RHSS9, WHST7, WHST8, WHST9 Information Processing 1, 3, 5, 9, 11, 12, 14, 15, 16 Incentives Interdependency

Part 1

Task:

Students will read and annotate the article "What's in Your Market Basket?" followed by answering the accompanying guided reading questions.

Resource Links:

- Page One "What's in Your Market Basket?" article and guided questions
https://files.stlouisfed.org/files/htdocs/publications/page1-econ/2015-10-01/whats-in-your-market-basket-why-your-inflation-rate-might-differ-from-the-average_CE.pdf
 Scott A. Wolla, "What's in Your Market Basket? Why Your Inflation Rate Might Differ from the Average," Page One Economics, October 2015
- Harvard Library: PDF of "Interrogating Texts"
 - http://guides.library.harvard.edu/ld.php?content_id=12548868

How to annotate:

While reading, students mark the pages for important information, text meaning or key details, ideas and questions.

Avoid using a highlighter! Use a pencil or pen to note.

Suggested annotation strategies:

- In the margins, summarize in your own words key concepts.
- Bracket **[important]** passages.
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- **Circle** words or information you don't understand.
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Part 2

Who benefits and who loses from unanticipated inflation?

RAFT writing assignments are written from the viewpoint of a selected person. RAFT can be used to begin or conclude a unit. At the beginning of a unit, a RAFT writing assignment can assess the students' background knowledge. At the end of a unit, it can be used to summarize the main ideas and concepts. The strategy guides students to think from the perspective of others, to consider how to tailor writing for different audiences, and to vary formats according to the purpose for the writing.

Students use the acronym to think through and plan their writing:

R- stands for the Role of the writer. Who or what are you?

A- stands for the Audience. Who are you addressing?

F- stands for Format. What form will the writing take: letter, editorial, diary, memo, etc?

T- stands for Topic and strong verb. What will you write about? Why?

Use the RAFT format to explain how each is affected by unanticipated inflation.

Role	Audience	Format	Topic
A Bank President who has provided fixed-rate loans	Shareholders	Speech	How profits will be affected by unanticipated inflation.
Mayor of Small-town who has sold bonds (borrowed) to pay for a new auditorium	Constituents	Speech	How tax rates in the future will be affected by this decision.
Retiree living on a fixed income	Granddaughter who is just beginning their career	Letter of Advice	What put them into this position and what the future holds for them; what they would have done differently
Real estate investor	Real Estate Conference	Presentation	Explain how they have or have not benefitted from unanticipated inflation.

CPI, PPI, and GDP Deflator	
Students will research the three measures of inflation and explain each using a brace map graphic organizer.	
GSE Standards and Elements SSEMA1 Illustrate the means by which economic activity is measured. c. Define unemployment rate, Consumer Price Index (CPI), inflation, real GDP, aggregate supply and aggregate demand and explain how each is used to evaluate the macroeconomic goals from SSEMA1a.	
Literacy Standards Social Studies Matrices Enduring Understanding(s)	L9-10 RHSS7, RHSS9 L11-12 RHSS7, RHSS9 Information Processing 1, 3, 5, 9, 11, 12, 14, 15, 16 Incentives

Research the three measures of inflation and create a graphic organizer, like the example below, with Inflation as the central idea. Each offshoot (Part) should present an idea related to inflation (ie. CPI, etc.). Each idea should have at least three descriptors or sub-parts, using as few words as possible, clarifying the importance of the concept. You may use your notes and the following research links.

Research links:

The Fed Explains Inflation

- <https://www.frbatlanta.org/about/fed-explained/2012/inflation.aspx>

Consumer Price Index (CPI)

- <https://www.bls.gov/cpi/cpifaq.htm>

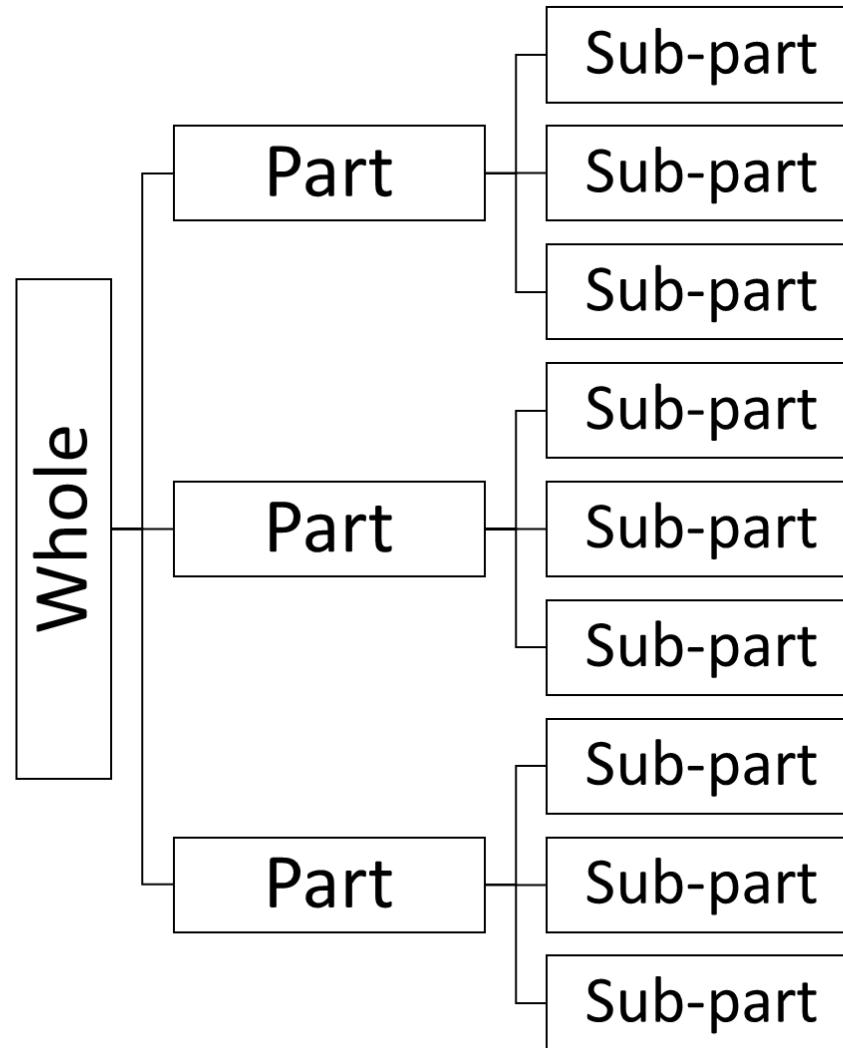
Producer Price Index (PPI)

- <https://www.bls.gov/ppi/ppifaq.htm>

GDP Deflator

- <http://www.investopedia.com/terms/g/gdppricedeflator.asp>

Inflation Graphic Organizer



Unemployment	
Students will read and annotate the article “Making Sense of unemployment Data” followed by answering the accompanying guided reading questions.	
GSE Standards and Elements	SSEMA1 Illustrate the means by which economic activity is measured. <ul style="list-style-type: none"> c. Define unemployment rate, Consumer Price Index (CPI), inflation, real GDP, aggregate supply and aggregate demand and explain how each is used to evaluate the macroeconomic goals from SSEMA1a. e. Identify seasonal, structural, cyclical, and frictional unemployment.
Literacy Standards Social Studies Matrices Enduring Understanding(s)	L9-10 RHSS7, RHSS9 L11-12 RHSS7, RHSS9 Information Processing 1, 3, 5, 9, 11, 12, 14, 15, 16 Incentives Interdependency Scarcity

Part 1

Task:

Students will read and annotate the article “Making Sense of unemployment Data” followed by answering the accompanying guided reading questions.

Resource Links:

- Page One “Making Sense of Unemployment Data” article and guided questions
https://files.stlouisfed.org/files/htdocs/publications/page1-econ/2016-02-01/making-sense-of-unemployment-data_CE.pdf
Scott A. Wolla, "What's in Your Market Basket? Why Your Inflation Rate Might Differ from the Average," Page One Economics, October 2015
- Harvard Library: PDF of “Interrogating Texts”
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How to annotate:

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Suggested annotation strategies:

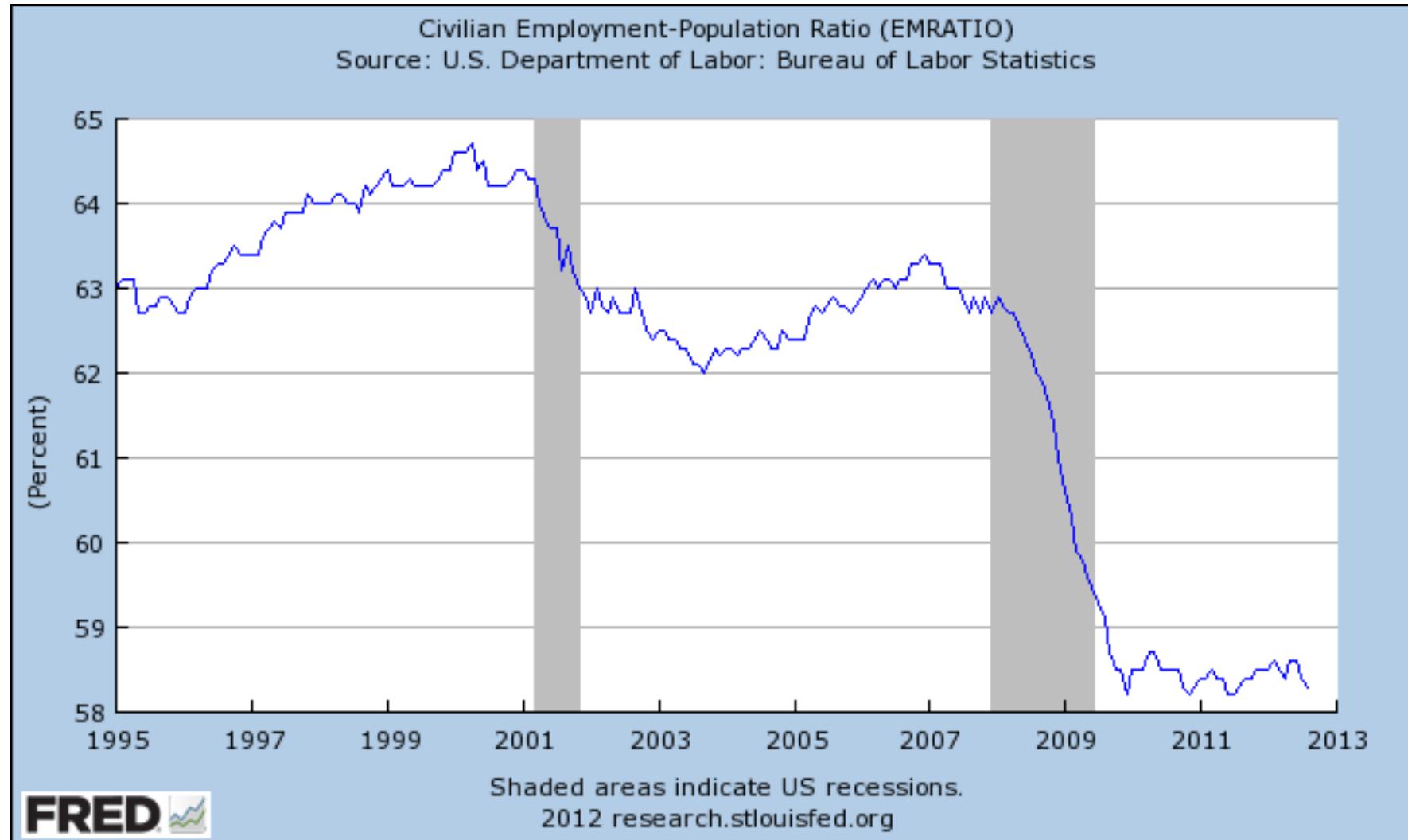
- In the margins, summarize in your own words key concepts.
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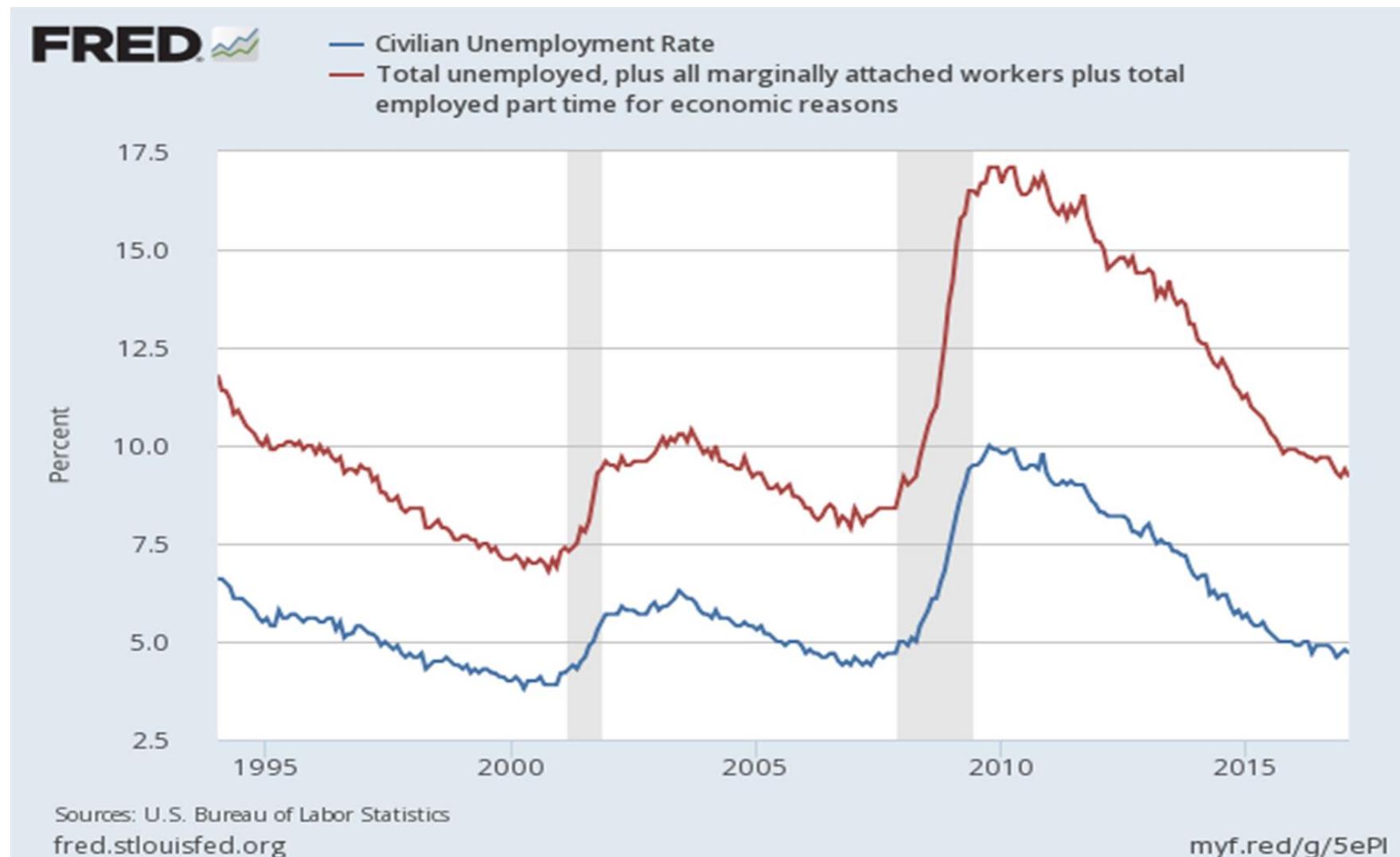
- **Underline** important ideas/details
- Place asterisks * or exclamation points next to unusual or surprising details!!
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Economics Frameworks for the Georgia Standards of Excellence in Social Studies

Part 2

After completing the article analyze the following graph from the St. Louis Fed:





Economics Frameworks for the Georgia Standards of Excellence in Social Studies

1. Are there any reliability problems with just using the unemployment rate to measure the labor market strength?
2. What does it mean to be marginally attached?
3. What is a discouraged worker?
4. Do some part time workers want to work fulltime?
5. What has happened to the percentage of the population participating in the labor force? Research reasons why the labor force participation rate has changed.

Falling Oil Prices Create Winners and Losers

Students will read and annotate the article “Falling Oil Prices Create Winners and Losers” followed by answering the accompanying guided reading questions.

GSE Standards and Elements Literacy Standards Social Studies Matrices Enduring Understanding(s)	SSEMA1 Illustrate the means by which economic activity is measured. <ul style="list-style-type: none"> a. Identify and describe the macroeconomic goals of steady economic growth, stable prices, and full employment. b. Define Gross Domestic Product (GDP) as the sum of Consumer Spending, Investment, Government Spending, and Net Exports (output expenditure model). c. Define unemployment rate, Consumer Price Index (CPI), inflation, real GDP, aggregate supply and aggregate demand and explain how each is used to evaluate the macroeconomic goals from SSEMA1a. L9-10 RHSS7, RHSS9 L11-12 RHSS7, RHSS9 Information Processing 1, 3, 5, 9, 11, 12, 14, 15, 16 Gains from Trade Incentives Interdependency Scarcity
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Students will read and annotate the article “Falling Oil Prices Create Winners and Losers” followed by answering the accompanying guided reading questions.

Resource Links:

- Page One “Falling Oil Prices Create Winners and Losers” article and guided questions
<https://files.stlouisfed.org/files/htdocs/pageone-economics/uploads/newsletter/2015/PageOne201505.pdf>
Scott A. Wolla, "Falling Oil Prices Create Winners and Losers," Page One Economics, May 2015
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Supply and Demand or Aggregate Supply and Aggregate Demand	
Students will decide if the following events are Micro and shift Supply or Demand or if the event is Macro and shifts Aggregate Demand or Aggregate Supply.	
GSE Standards and Elements	SSEMA1 Illustrate the means by which economic activity is measured. c. Define unemployment rate, Consumer Price Index (CPI), inflation, real GDP, aggregate supply and aggregate demand and explain how each is used to evaluate the macroeconomic goals from SSEMA1a
Literacy Standards Social Studies Matrices Enduring Understanding(s)	Information Processing 1, 3, 5, 9, 11, 12, 14, 15, 16 Incentives Interdependency Scarcity

As you know, supply and demand shifts are caused by one of their determinants. Shifts in aggregate demand (AD) show the effect of events on price level and Real GDP. Any event that causes a change in consumer, business, or government spending or any change in net exports ($C+I+G+X_n$) will shift AD. Any event that causes a change in production costs or increases productivity will shift aggregate supply (AS).

Decide if the following events are Micro, shifting supply or demand, or Macro, shifting AD or AS. Give the direction in which the graph shifts.

	Supply	Demand	Situation	Aggregate Supply	Aggregate Demand
1			Sales of Atlanta United gear grows with the success of the team.		
2			The President and Congress pass a \$600 billion stimulus bill to get the country back on track.		
3			Salmonella outbreak in peanut processing plants threatens the lunches of millions of school children.		
4			Pomegranate shown to be cancer fighting super food.		
5			Because the value of the US dollar is declining relative to other currencies, American exports have increased.		
6			Global oil prices tank as shale fracking surges.		
7			Housing market crashes, new construction starts at a ten-year low.		
8			House votes to block EPA regulations on coal-fired electricity plants.		

Money and Inflation	
Students will read and annotate the article “Money and Inflation: A Functional Relationship” followed by answering the accompanying guided reading questions.	
GSE Standards and Elements	SSEMA2 Explain the role and functions of the Federal Reserve System. a. Explain the roles/functions of money as a medium of exchange, store of value, and unit of account/standard of value.
Literacy Standards Social Studies Matrices Enduring Understanding(s)	L9-10 RHSS7, RHSS9 L11-12 RHSS7, RHSS9 Information Processing 1, 3, 5, 9, 11, 12, 14, 15, 16 Incentives Interdependency Scarcity

Part 1

Task:

Students will read and annotate the article “Money and Inflation: A Functional Relationship” followed by answering the accompanying guided reading questions.

Resource Links:

- Page One “Money and Inflation: A Functional Relationship” article and guided questions
https://research.stlouisfed.org/pageone-economics/uploads/newsletter/2013/PageOneClassroomEdition0313_Money_Trade_Barter_Inflation.pdf
 Scott A. Wolla, "Money and Inflation: A Functional Relationship," Page One Economics, March 2013
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Part 2

["Think-pair-share: Functions of money"](#) by Julie K Smith, Lafayette College is licensed under [CC BY 3.0](#)

The following exercise is designed to give you practice understanding the function of money.

You will have 3-5 minutes to complete question 1 on your own. When time is called, you will have 5 minutes to pair up with a classmate and compare your answers, resolving conflicts and enhancing incomplete answers. Students will take turns presenting the answers to each part of the problem and seeking feedback from their partners. The student in the pair that has the first letter of their last name closer to Z in the alphabet will present his/her answers to parts a(i), a(ii), b(i), b(ii), b(iii), b(iv) seeking feedback from his/her partner. The partner will then present his/her answers for parts a(iii), b(v), b(vi), b(vii), and b(viii), again seeking feedback.

Question 1:

- a. Define the three functions of money.
 - i. Medium of exchange
 - ii. Store of value
 - iii. Unit of account
 - b. Consider how the following items fulfill the three functions of money: medium of exchange, store of value and unit of account.
 - i. US dollar
 - ii. Mexican peso
 - iii. Chuck-e-Cheese token
 - iv. Cigarettes
 - v. Gold
 - vi. Prepaid card
 - vii. Antique vase
 - viii. US government bond
- Research the Zimbabwean dollar. Why does the currency of this country not fulfill the three functions of money?

Real vs. Nominal	
Students will compare movie sales data in nominal and real terms.	
GSE Standards and Elements	SSEMA1 Illustrate the means by which economic activity is measured. <ul style="list-style-type: none"> a. Identify and describe the macroeconomic goals of steady economic growth, stable prices, and full employment. c. Define unemployment rate, Consumer Price Index (CPI), inflation, real GDP, aggregate supply and aggregate demand and explain how each is used to evaluate the macroeconomic goals from SSEMA1a. d. Give examples of who benefits and who loses from unanticipated inflation.
Literacy Standards Social Studies Matrices Enduring Understanding(s)	Information Processing 1, 3, 5, 9, 11, 12, 14, 15, 16 Incentives Interdependency

Real vs. Nominal

Look up the following top grossing movies of all time. Write in the Nominal Gross Sales (use “Worldwide Gross”) and the year the movie was released. Look up the CPI for the year the movie was released: go to <https://data.bls.gov/pdq/SurveyOutputServlet> and change the output options and include annual averages. Rank the movies from highest Real Gross Sales to lowest Real Gross Sales. Answers the debrief questions that follow. Use the following website to look up movie sales: <http://boxofficemojo.com/alltime/world/>

<i>Movie Title</i>	<i>Nominal Rank</i>	<i>Nominal Gross Sales (From Website)</i> \$\$In millions of dollars\$\$	<i>Year Movie was Released</i>	<i>Movie Year Price Index (Attachment)</i>	<i>Real Gross Sales (Again, in millions of dollars\$\$) Use the Formula: Real Sales=</i> <i>(Nominal Sales/Movie Year Price Index)x100</i>	<i>Real Rank</i>
Star Wars: The Force Awakens	1					
Titanic	2					
Star Wars (Original)	3					
Toy Story 3(Animated)	4					
Hunger Games (Original)	5					
Jurassic Park (Original)	6					

Economics Frameworks for the Georgia Standards of Excellence in Social Studies

Frozen	7					
Transformers (Original)	8					
Independence Day	9					
Jaws	10					
Batman (Original)	11					
Men In Black	12					
Cars(<i>Animated</i>)	13					
Beverly Hills Cop	14					
Snow White and the Seven Dwarfs(<i>Animated</i>)	15					

Debrief Questions- Please write your answers on a separate piece of paper.

1. What was the base year used for this activity?
2. Why do the most recent movies have the highest Nominal Gross totals?
3. What year did we “sell” our tickets when we converted to Real Gross Sales?
4. Which movie had the highest Real Sales? What does this mean (compare the concepts of Nominal vs. Real)?

Tools of Monetary Policy	
Students will research the tools of monetary policy and how the Federal Reserve uses these tools to control the money supply and promote the three macroeconomic objectives of full employment, price level stability and economic growth.	
GSE Standards and Elements	SSEMA2 Explain the role and functions of the Federal Reserve System. <ul style="list-style-type: none"> b. Describe the organization of the Federal Reserve System (12 Districts, Federal Open Market Committee (FOMC), and Board of Governors). c. Define monetary policy. d. Define the tools of monetary policy including reserve requirement, discount rate, open market operations, and interest on reserves. e. Describe how the Federal Reserve uses the tools of monetary policy to promote its dual mandate of price stability and full employment, and how those affect economic growth.
Literacy Standards Social Studies Matrices Enduring Understanding(s)	L9-10 RHSS7, RHSS9 L11-12 RHSS7, RHSS9 Information Processing 1, 3, 5, 9, 11, 12, 14, 15, 16 Incentives Interdependency

The Federal Reserve utilizes the tools of monetary policy to control the money supply and promote the three macroeconomic objectives of full employment, price level stability and economic growth.

How does the Federal Reserve effect the supply of money in the country's commercial banking system?

The Federal Reserve uses four main tools for controlling the money supply:

- Open Market Operations
- Required Reserve Ratio
- The Discount Rate
- Interest on Required Balances and Excess Balances

You will be divided into groups of four to research and describe how each of the Fed's monetary policy tools works. The following are links to the Federal Reserve website describing each of the tools:

- [Open Market Operations](#)
- [Required Reserve Ratio](#)
- [The Discount Rate](#)
- [Interest on Required Balances and Excess Balances](#)

Please use the following questions to guide your research:

Open Market Operations (OMO):

1. Definition. What's this rate called? What group controls this?
2. How it can be used to change the money supply, bank reserves and the interest rate?

3. What should the Fed do during a recession? Explain.
4. What should the Fed do during an inflationary period? Explain.
5. What is its relative importance to the other tools of monetary policy?

Required Reserve Ratio

1. Definition:
2. How it can be used to change the money supply, bank reserves and the interest rate?
3. What should the Fed do during a recession? Explain.
4. What should the Fed do during an inflationary period? Explain.

Discount Rate

1. Definition.
2. How it can be used to change the money supply, bank reserves and the interest rate?
3. What should the Fed do during a recession? Explain.
4. What should the Fed do during an inflationary period? Explain.
5. What is meant by the “Lender of Last Resort?”

Interest on Reserves

1. Definition.
2. How it can be used to change the money supply, bank reserves and the interest rate?
3. What should the Fed do during a recession? Explain.
4. What should the Fed do during an inflationary period? Explain.
5. How long has the Fed utilized this tool?

Final Task

After answering the above, on a large sheet of poster paper create a cyclical or sequential graphic organizer summarizing the tools of the Fed when Expansionary Monetary Policy and Contractionary Monetary Policy are implemented.

Expansionary Monetary Policy

Identify the four actions by the Fed that could increase the money supply. On your graphic organizer, explain how each tool impacts the money supply, the level of investment, & aggregate demand:

- OMO:
- Reserve Requirement:
- Discount Rate:
- Interest on Reserves

Contractionary Monetary Policy

Identify the four actions by the Fed that could increase the money supply. On your graphic organizer, explain how each tool impacts the money supply, the level of investment, & aggregate demand:

- OMO:
- Reserve Requirement:
- Discount Rate:
- Interest on Reserves

Recessions and the Business Cycle

Students will read and annotate the article “What is a Recession.” Next, students will draw and analyze the phases of the business cycle, as well as determining Fiscal Policy and interest rate changes.

GSE Standards and Elements	<p>SSEMA1 Illustrate the means by which economic activity is measured.</p> <p>c. Define unemployment rate, Consumer Price Index (CPI), inflation, real GDP, aggregate supply and aggregate demand and explain how each is used to evaluate the macroeconomic goals from SSEMA1a.</p> <p>d. Give examples of who benefits and who loses from unanticipated inflation.</p> <p>e. Identify seasonal, structural, cyclical, and frictional unemployment.</p> <p>f. Define the stages of the business cycle, including: peak, contraction, trough, recovery/expansion as well as recession and depression</p> <p>SSEMA2 Explain the role and functions of the Federal Reserve System.</p> <p>e. Describe how the Federal Reserve uses the tools of monetary policy to promote its dual mandate of price stability and full employment, and how those affect economic growth.</p> <p>SSEMA3 Explain how the government uses fiscal policy to promote price stability, full employment, and economic growth.</p> <p>b. Explain the effect on the economy of the government's taxing and spending decisions in promoting price stability, full employment, and economic growth.</p> <p>c. Explain how government budget deficits or surpluses impact national debt.</p>	
	Literacy Standards Social Studies Matrices Enduring Understanding(s)	L9-10 RHSS7, RHSS9 L11-12 RHSS7, RHSS9 Information Processing 1, 3, 5, 9, 11, 12, 14, 15, 16 Gains from Trade Incentives Interdependency

Part 1

Task:

Students will read and annotate the article “What is a Recession?”

Resource Links:

- Page One “What is a Recession?” <https://files.stlouisfed.org/files/htdocs/pageone-economics/uploads/newsletter/2009/200902.pdf>
By Douglas C. Smith, Research Analyst, Federal Reserve Bank of St. Louis
- Harvard Library: PDF of “Interrogating Texts”
 - http://guides.library.harvard.edu/ld.php?content_id=12548868

Economics Frameworks for the Georgia Standards of Excellence in Social Studies

How to annotate:

While reading, students mark the pages for important information, text meaning or key details, ideas and questions.

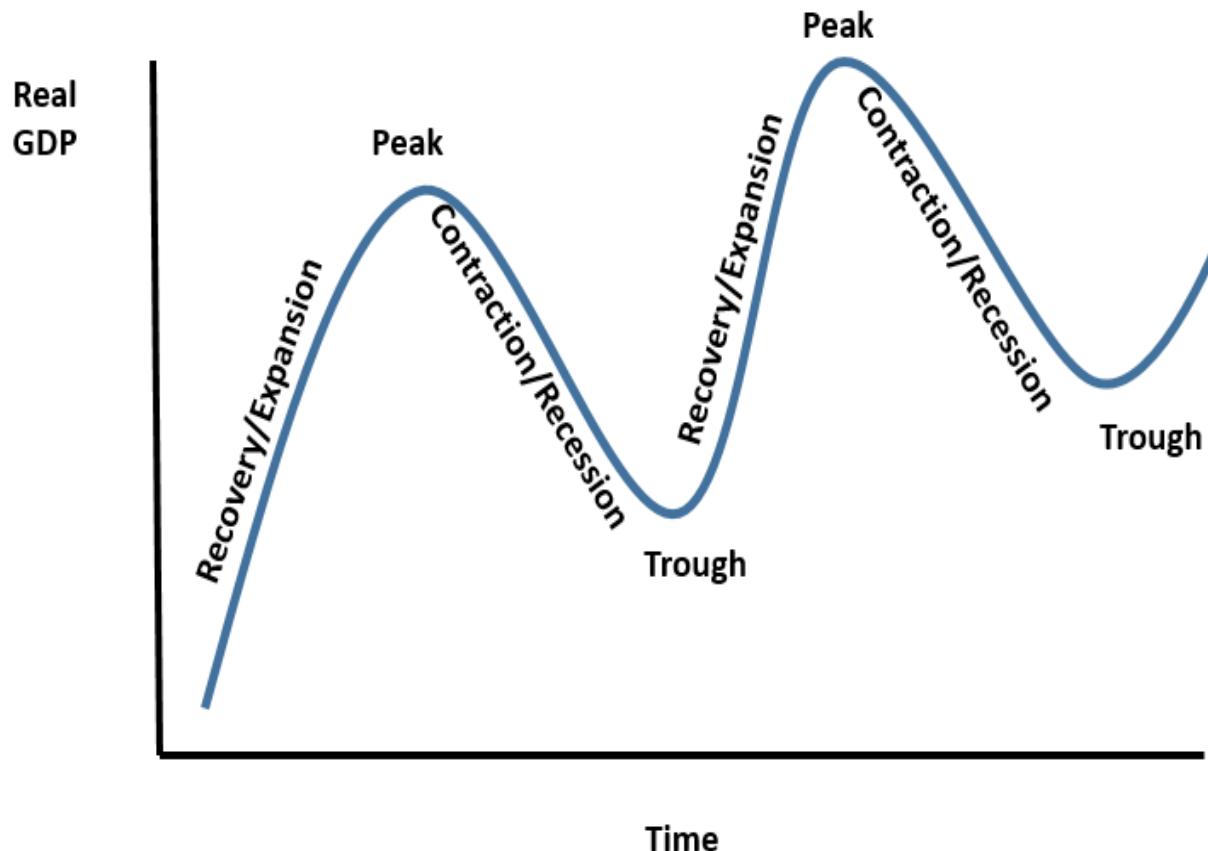
Avoid using a highlighter! Use a pencil or pen to note.

Suggested annotation strategies:

- In the margins, summarize in your own words key concepts.
- Bracket **[important]** passages.
- Connect related ideas with lines or arrows.
- **Underline** important ideas/details
- Place asterisks * or exclamation points next to unusual or surprising details!!
- **Circle** words or information you don't understand.
- Rank your annotations based on their importance to the passage, **1, 2, 3, 4, 5.**

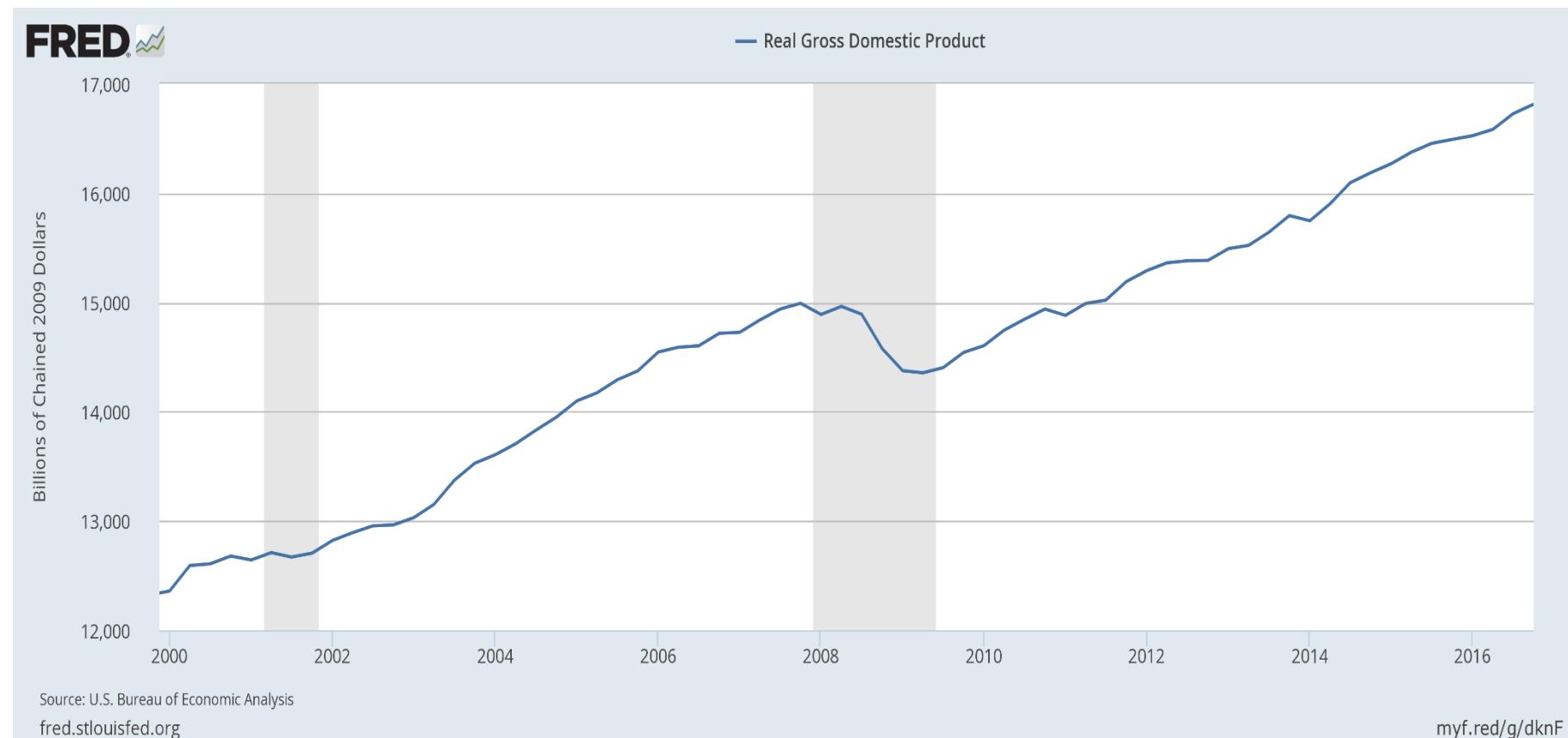
Part 2

Business Cycle in Theory



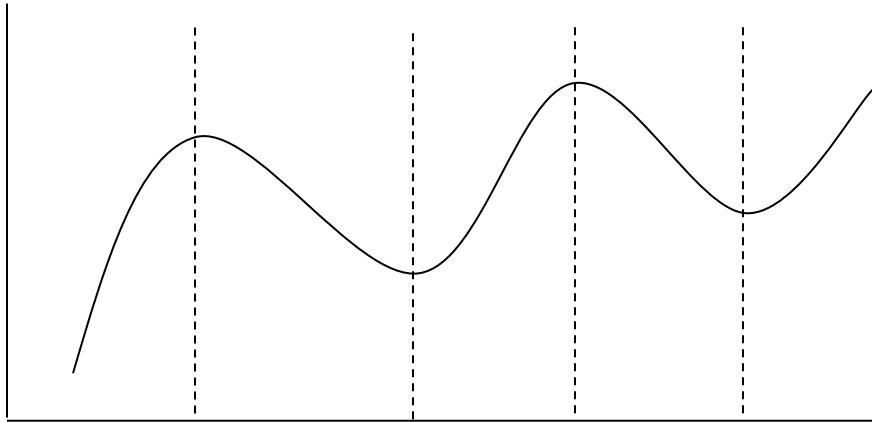
Economics Frameworks for the Georgia Standards of Excellence in Social Studies

The Real Business Cycle- Grey bars are recessions (Real data never looks exactly like the theory!)



Business Cycle Graphing and Analysis Activity

- Please pick up a piece of blank paper and a variety of colored pencils.
- Arrange your paper so it is in the landscape position.
- Draw the Business Cycle in color as shown here (use the whole page). Make sure to label each phase.



Answer the following on the back of your Business Cycle Graph. Use the following website as a reference:
http://www.amosweb.com/cgi-bin/awb_nav.pl?s=wpd&c=dsp&k=business+cycle+phases

1. Explain what is typically happening or about to happen in each phase of the Business Cycle.
 - a. Trough
 - i. CPI (inflation)
 - ii. Unemployment
 - iii. Real GDP
 - b. Recovery/Expansion
 - i. CPI (inflation)
 - ii. Unemployment
 - iii. Real GDP
 - c. Peak
 - i. CPI (inflation)
 - ii. Unemployment
 - iii. Real GDP
 - d. Recession- Give the Economic definition of a recession.
 - i. CPI (inflation)
 - ii. Unemployment
 - iii. Real GDP
2. During which phase, would the government and the Fed be afraid of too much inflation? Explain why.
 - a. If there is too much inflation, what should the government do to our taxes and government spending? Would this action cause a deficit or a surplus? Would this increase or decrease national debt?
 - b. What should the Fed do with interest rates?
 - c. Which components of GDP would be affected by this change in Fiscal and Monetary policy?
3. During which phase, would the government and the Fed be afraid the country would not produce enough jobs to be “fully employed?” Explain why.

Economics Frameworks for the Georgia Standards of Excellence in Social Studies

- a. If economy is slowing, what should the government do to our taxes and government spending? Would this action cause a deficit or a surplus? Would this increase or decrease national debt?
 - b. What should the Fed do with interest rates?
 - c. Which components of GDP would be affected by this change in Fiscal and Monetary policy?
4. List and define the 4 types of unemployment. Which type of unemployment occurs during a recession? Explain why.

Culminating Unit Performance Task

The State of the U.S. Economy: A Pictorial History

Students will be creating a visual representation of the current state of the U.S. economy by taking pictures in your neighborhood as well as the metro Atlanta area (or anywhere else you might be traveling). Your project may be presented in any multimedia format.

GSE Standards and Elements	SSEMA1 SSEF4, SSEF5
Literacy Standards Social Studies Matrices Enduring Understanding(s)	L9-10 RHSS7, RHSS9, WHST7, WHST8, WHST9 L11-12 RHSS7, RHSS9, WHST7, WHST8, WHST9 Information Processing 1, 3, 5, 9, 11, 12, 14, 15, 16 Incentives Interdependency Scarcity

The State of the U.S. Economy: A Pictorial History

You will be creating a visual representation of the current state of the U.S. economy by taking pictures in your neighborhood as well as the metro Atlanta area (or anywhere else you might be traveling). Your project may be presented in any multimedia format.

1. You will have three required areas and one that is a “free choice.”

- a Unemployment & Inflation
- b Sales of Goods & Services, GDP Related
- c Housing Market
- d ???Free Choice????? (You must give a title to this area)

- Please include an introductory slide for each of the four areas. This slide should explain the topic in your own words & why it is important as it relates to the “wellbeing” of the economy.

2. All pictures/slides must have:

- a Title
- b Location in which the pictures was taken (address or cross streets & city)
- c Date stamp
- d Explanation of why you took the picture and the historical significance (what would you want to tell someone in the future about the current state of our economy.) You are expected to use graphs, economic data, and/or primary sources in your explanation (so, do some research about the present & the past!). All summaries need to be clear and concise. Economic themes of Scarcity, Interdependency, Gains from Trade, and Incentives should be part of your presentation.
- e Footnotes

3. All research needs to be cited on your final slide in MLA style. You may use the following website for your citations...

- <http://www.citationmachine.net/>

4. A variety of pictures should be taken from a variety of locations. You may take pictures at home, but no pictures are to be taken at school. Think about how your family, your neighborhood, the state of Georgia, as well as the country have been affected over the last year or so. No pictures from the internet!

5. Finally, you may want to talk with someone in your family or someone you know about the different “economic times” they have experienced over their lifetime and use that as a reference when writing your summaries (highly suggested!). This should help give you a good frame of reference for the historical significance explanation.

Today's Date _____

Due Date _____ **Rubric MUST be turned in the day the project is due!**

**The State of the U.S. Economy-Spring 2016:
A Pictorial History
Rubric**

	4	3	2	1	Score
Topic Coverage 1. Unemployment & Inflation 2. Sales of Goods & Services, GDP 3. Housing Market 4. Your Choice	All the information is covered and complete. Introductory slide included.	2 to 4 mistakes are observed (including missing slides).	5 to 7 mistakes are observed (including missing slides).	8+mistakes are observed.	
Pictures Pictures must be diverse and unrelated. Pictures should not be taken on the same day in the same location.	15+ pictures are included. A considerable amount of thought went into the selection. Pictures are diverse and unrelated. No picture "type" is repeated	12 to 14 pictures are included. Some thought went into the selections. Most are diverse and unrelated.	10 to 11 pictures are included. Some thought went into the selections. Some are diverse and unrelated.	Less than 10 pictures are included. No thought went into their selection. Most are taken on the same day in the same location.	
Explanation & Historical Significance Each "Topic" must include some research data.	Explanation & historical significance is clearly stated and thoroughly covered in 15+slides. Presentation is free of mistakes and research for each topic has been performed & included.	Minimum of 12 slides are explained & historical significance is clearly stated and/or 4 to 7 mistakes are observed.	Minimum of 10 slides are explained & historical significance is clearly stated and/or 8 to 10 mistakes are observed.	Less than 10 slides are explained & historical significance is clearly stated and/or 11+ mistakes are observed.	
Summaries Presented clearly and concisely. Past and present are conveyed.	All of the summaries presented are clear and concise.	2-4 mistakes are observed.	5-7 mistakes are observed.	8+ mistakes are observed.	
Format 1. Picture 2. Title 3. Location & Date 4. Explanation Citations slide included at the end of the presentation.	All five aspects are accounted for in each slide. MLA style is utilized	At least 10 slides are formatted properly.	7-9 slides are formatted properly.	6 or less of the slides are formatted properly.	
					Scale 20=100% 19=95% 18=90% 17=85% 16=80% 15=75% 14=70%