

Economics

I. What is Economics?

- A. Scarcity
 - i. Importance of scarcity
 - ii. Four factors of production
- B. Basic economic concepts
 - i. Value, utility, wealth
 - ii. Maximizing production
- C. Decision making
 - i. Economic choices made daily
 - ii. Fully employed resources

II. Economic systems

- A. Types of economies
 - i. Success of the free market
 - ii. Failures of a command economy
- B. Evaluating performance
 - i. Economic and social goals of the free market
- C. Capitalism, free market systems
 - i. Five characteristics
 - ii. Roles of entrepreneur, consumer, and the government

III. Business organization

- A. Sole proprietorship and partnership
 - i. Advantages and disadvantages of sole proprietorships
 - ii. Advantages and disadvantages of partnerships
- B. Corporation
 - i. Advantages and disadvantages of corporations
 - ii. Comparison of corporation to sole proprietorships and partnerships
- C. Mergers
 - i. Reasons for merging
 - ii. Types of mergers
- D. Other organizations
 - i. Role of non-profits in our economy
 - ii. Role of labor unions in our economy

IV. Demand

- A. What is demand?
 - i. Demand vs. quantity demanded
 - ii. Marginal utility and diminishing marginal utility
- B. Changes in demand
 - i. Six things that change demand
 - ii. Income effect and substitution effect
- C. Demand elasticity
 - i. Elastic vs. inelastic demand

- ii. Three questions used to test for demand elasticity

V. Supply

- A. What is supply?
 - i. The law of supply
- B. Changes in supply
 - i. Eight things that change supply
- C. Production theory
 - i. Long run and short run
 - ii. Three stages of production
- D. Cost-profit relationship
 - i. Fixed cost, variable cost, and business profit
 - ii. E-commerce

VI. Prices and decision making

- A. Importance of prices
 - i. Advantages of a price system
 - ii. Disadvantages without a price system
- B. Market equilibrium
 - i. How market equilibrium is achieved
 - ii. Effects of a surplus or a shortage
- C. Market efficiency
 - i. Price ceilings and price floors
 - ii. Support of agriculture through price supports

VII. Market structures

- A. Types of market structure
 - i. Characteristics of perfect competition
 - ii. Characteristics of monopolistic competition
 - iii. Characteristics of oligopoly
 - iv. Characteristics of monopoly
- B. Market failures
 - i. Explanation of market failures
 - ii. Five major types of market failures
- C. Role of government
 - i. Legislation of economic fairness
 - ii. Meaning of modified free enterprise

VIII. Taxes

- A. Economics and taxes
 - i. Economic impact of taxes
 - ii. Progressive, proportional, and regressive taxes
- B. Federal taxes
 - i. Federal government taxes
- C. State and local taxes
 - i. State and local government taxes

- D. Tax issues
 - i. Value added tax
 - ii. Flat tax

- IX. Government spending
 - A. The economics of spending
 - i. Major categories of government spending
 - ii. Economic impact of government spending
 - B. Federal spending
 - i. Accomplishment of federal spending
 - C. State and local spending
 - i. Differences between federal and state spending
 - D. National deficit and debt
 - i. Difference between national debt and national deficit
 - ii. Economic impact of the national debt

- X. Money and banking
 - A. History of money
 - i. Money in the United States
 - ii. Functions and characteristics of money
 - B. Banking and monetary standards
 - i. The monetary standard
 - ii. Abandoning of the gold standard
 - C. The Federal Reserve
 - i. Structure of the Federal Reserve
 - ii. Function of the FDIC

- XI. Financial markets and investing
 - A. Saving and borrowing
 - i. Circular flow of funds
 - ii. Investing of financial assets
 - B. Investment strategies
 - i. Risk-return relationship
 - ii. Bonds
 - C. Stocks, futures, and options
 - i. Operation of stock markets
 - ii. Major measures of stock market performance

- XII. Economic performance
 - A. Measuring performance
 - i. Gross Domestic Product (GDP)
 - ii. Things excluded from GDP
 - B. GDP and the CPI
 - i. Constructing the Consumer Price Index
 - ii. Real GDP vs. current GDP
 - C. Population and GDP

- i. Factors affecting population growth
 - ii. Changing US population since 1800
 - D. Economic growth
 - i. Real GDP per capita
 - ii. Other factors influencing growth
- XIII. Economic instability
 - A. Business cycles
 - i. Causes of the business cycle
 - ii. Factors affecting recessions and depressions
 - B. Unemployment
 - i. Economic effects of the unemployment rate
 - ii. Full employment
 - C. Inflation
 - i. Relationship between inflation and real income
 - ii. Factors affecting the rate of inflation
 - D. Poverty
 - i. Characterization of poverty in the US
 - ii. Programs being used to fight poverty
- XIV. International trade
 - A. Absolute and comparative advantage
 - i. Absolute vs. comparative advantage
 - ii. US foreign trade
 - B. Barriers to trade
 - i. Tariffs and quotas
 - ii. Free global trade
 - C. Financing and trade deficits
 - i. Currency exchange rates
 - ii. Trade deficits and surpluses