**Unit 1: Basic Economic Ideas**

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| **Specification Content** | **Learning Outcomes** | **Teaching and Learning Activities** | **Resources** |
| **Basic Economic**  **Problem** | Students should be able to:   * understand the basic economic problem and the need for choice; * how scarcity of resources not only prevents many people from satisfying their basic needs, but also prevents everyone in the world from satisfying their wants**.** | Ask students to give their ideas of what economics is about. Record these for review later. (What is Economics? PowerPoint)  **Lesson:**  Students get into groups of 4 or 5 with the Survival Activity Worksheet. Students then have 15-20 minutes to complete the task.   * Have the students read the island description and highlight things that could be useful or dangerous to them. * The need to gather materials to make tools spears and pots etc. To assist with farming, hunting, catching fish, collecting water and building shelters may be initially overlooked by students. Ask them how will they catch fish, store and carry water, or build shelters, make clothing etc. Should help them focus.   At the end each group will be asked to explain their answers. Do you think all your needs were met?  **Scarcity:**  Pre-reading: recall from last lesson; what are the basic needs for survival: food, water, basic clothing and shelter  NEXT: read the article (Drought in Africa).  Discussion points  Why are these people's needs not being met? (what is the cause?)  What is required to solve this problem?  Task: Complete the worksheet “What’s the problem”  What is the difference between Wants and Needs?  Task: Worksheet The Economic Problem Review  Plenary / Review Task (The Eco Problem Review) | What is Economics (ppt)  Thexton J.D (1995) *Made in Canada – Economics for Canadians*3rd edition, Oxford University Press, Chapter 1  Moynihan and Titley (2007) *Economics – A Complete Course*, 3rd edition, Oxford University Press, Chapter 1  Webster K (2004) *Rethink, Refuse, Reduce…Education for sustainability in a changing world*, Field Studies Council, Chapters 1, 4 and 5  Survival Activity (doc)  The Eco Problem Review (doc)  [www.consumercouncil.org.uk/ filestore/lessonplans/Sustainable\_Consumption1.doc](http://www.consumercouncil.org.uk/%20filestore/lessonplans/Sustainable_Consumption1.doc)  Drought in Africa (word)  Drought in Africa Discussion points (word)  What’s the problem (word)  The Economic Problem review (word)  Thexton J.D (1995) *Made in Canada – Economics for Canadians*3rd edition, Oxford University Press, Chapter 1, p.2 - 3 |

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| **Factors of Production** | Students should be able to:   * define the factors of production and their associated rewards; | Starter Activity  Select a range of products that students can identify with, e.g. packet of crisps, mobile phone, pair of jeans, iPod. Ask students to discuss the resources needed to produce these products and how these resources might be grouped.   * *What is Economics” slide 5+*   Review classification of resources and introduce concepts of land, labour, capital and enterprise. Discuss how these factors of production are rewarded.  Task:   * Students complete the Factors of Production worksheet   Plenary task  Ask students to classify the resources listed on the handout “what is in a car” as land (all natural resources), capital (all man-made resources) or labour (human effort). | Geoff Riley (2007) AS Economics  Digital Textbook p.1 to 6  Moynihan and Titley (2007) *Economics – A Complete Course*, 3rd edition, Oxford University Press, Chapter p.7 – 10  What is Economics (ppt)  Factors of Production (word)  What is in a car (pdf)  Classifying resources (pdf)  Moynihan and Titley (2007) Chapter 2  Useful website  EBEA Learning Resources, GCSE Economics, Economic Issues:  <http://www.ebea.org.uk/teaching_resources/lesson_ideas_and_resources/gcse_economics/economic_issues/> |

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| **Opportunity Cost** | Students should be able to:   * explain the concept of opportunity cost and apply it in various situations; and * use a straight-line production possibility frontier to illustrate resource choices and costs | Explore the idea that all participants in the economy have limited resources and have to make choices.  What is Economics (ppt) – slide 6  Introduce the concept of opportunity cost and ask students to match examples of  opportunity costs to particular individuals and situations.  Tasks:  Opportunity cost worksheet  Production Possibility Curve worksheet | Thexton J.D (1995) *Made in Canada – Economics for Canadians*3rd edition, Oxford University Press, Chapter 1, p.4  What is economics (ppt)  Opportunity cost worksheet (word)  PPC (word)  Thexton J.D (1995) *Made in Canada – Economics for Canadians*3rd edition, Oxford University Press, Chapter 1, pp.53-54  Geoff Riley (2007) AS Economics  Digital Textbook p.14 |
| **Homework Assignment** | Students should be able to:  Explain the opportunity costs involved in making a budget. | Role-play activity  Using the link students must imagine they are an economic adviser to the President of the United States.  Due to war Military spending has increased by 20% and the students task is to cut the deficit to $1,500 billion dollars.  Whilst making decisions on which programs to cut the students must be aware of the Presidents election promises and special interest groups. | <http://www.nvcc.edu/home/nvfordc/macroeconomics/assignmentseco201.htm>  Opportunity Cost Assignment (word)  Opportunity Cost Rubric (excel)  Production Possibility Curve homework (word) |
| **Increasing Opportunity Cost** | * use a curved production possibility frontier to illustrate resource choices and costs * understand the reasons for increasing opportunity cost vs. Constant opportunity cost. | Increasing vs. Constant Opportunity Cost  Broaden discussion to illustrate the applicability to organisations and countries.  Provide students with simple numerical data to plot on graph paper to illustrate the concept of a production possibility frontier (PPF). Set questions for students to illustrate:   * opportunity cost at different points along the frontier; * points where resources are and are not being used efficiently; and * production combinations that are not attainable with the available resources and/or technology.   Briefly introduce the concept of economic growth and discuss how this could be represented on a PPF. | Economic Problem Review (pdf)  Increasing Opportunity Cost (word) |

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| **Resources and**  **Goods** | Students should be able to:   * define the factors of production and their associated rewards; * understand how an economy must decide what, how and for whom to produce; * consider different ways in which these decisions could be made and the moral, ethical, social, legislative and cultural   issues involved. | Review classification of resources and introduce concepts of land, labour, capital and enterprise. Expand on the problem of resource allocation: every economy must how, and how much, land, labour, capital and enterprise to assign to different productive uses. (slide 15)  Activities  Slide 16: Problem solving task  Reading comprehension:  Cornell note taking  Resource Allocation  Using the 2 articles the students must answer the following questions   * What to produce? * How to produce? * Who to produce for?   Discuss: differentiate between government planning and the motives and actions of private sector producers (to maximise their profits) and consumers (to maximize their satisfaction or utility / usefulness) | Thexton J.D (1995) *Made in Canada – Economics for Canadians*3rd edition, Oxford University Press, Chapter 2, pp.12-13  Moynihan and Titley (2000) Chapter 2, pp.23-24  What is economics (ppt)  Resource allocation (pdf)  Geoff Riley (2007) AS Economics  Digital Textbook p.12 |
| **How markets work** | Students should be able to:  Identify characteristics of market, traditional, mixed and planned economies  Understand the concept of the price mechanism | Task  Class discussion from PowerPoint slide 16 to 18. (Reading p.25)  Based on discussion and reading students should have a good understanding of the characteristics of market, mixed and planned economies.  Group/Pair Work  Students organize terms along the economy spectrum using the card sort worksheet  Allocation of Resources  Slide 18: the price mechanism (how prices help to allocate resources towards their most efficient uses)  Friedman clip – comparing free trade with a command economy  Activity/Homework (p.27)  Extend learning and understanding of the price mechanism outcomes and advantages.  (Markets and the price mechanism) | What is economics (ppt)  Moynihan and Titley (2000) Chapter 2, p.25  Card sort worksheet (word)  Video’s  Communism vs. Capitalism  <http://www.mhhe.com/economics/solman_video_mov/capital_cuban.mov>  Command Economies  <http://welkerswikinomics.com/blog/category/command-economies/>  Moynihan and Titley (2000) Chapter 2, p.27  Markets and the price mechanism (word) |
| **Economic Systems** | Students should be able to:  Understand the positives and negatives of the market system and how it can fail.  Evaluate the merits of the market and mixed economic system | Market Failure  Using the PowerPoint from slide 24 discuss ways in which the market economic system may result in inefficient and/or undesirable outcomes by completing a table.  Activity  Using the handout “How can market system fail” students describe or demonstrate market failures consistent with those shown in the slide presentation. Use the table on slide 30.  Mixed Economic System  Benefits: students match as suitable solutions to H7 handout.  Discussion of positives and negatives slides 31-33  H/W: Activity 2.4 (p.29) – Command Econ. | How can market system fail (pdf)  What is economics (ppt)  Moynihan and Titley (2000) Chapter 2, p.29 Activity  Basic Economic Systems (word) |
| **Economic Systems Review** | Review key concepts from the previous section. | Discussion  Review of the advantages and disadvantages of the market and mixed economic systems. Follow with ‘key point summary’ in slide 34  Activity  Students complete the review sheet.  Feedback and discuss.  Reading H/W  Basic Economic Systems | Economic Systems Review Sheet (pdf)  Economic Systems Review Sheet answers (pdf)  What is Economics (ppt) |