Functional Independence
Economics Extended High School Content Expectations
GRADE 11

This document includes the social studies High School Content Expectations (HSCEs) taken from the Michigan Department of Education's document, entitled *Social Studies High School Content Expectations (V.10/07).* It also shows how Michigan educators extended the HSCEs for the student population taking the MI-Access Functional Independence (FI) social studies assessments.

HOW TO USE THE THIS DOCUMENT				
High School Content Expectation	**Gen. Ed.**	**FI**	**Key Concepts**	**Extended HSCE**
*This column shows the original HSCEs. Each HSCE has a unique code, such as **E1.1.2**. Using this code as an example,* • ***E** = the standard category or discipline (in this case Economics),* • ***1** = the strand,* • ***1** = the standard, and* • ***2** = the expectation.* ***NOTE:** HSCEs provide a set of clear and rigorous expectations for all students, and provide teachers with clearly defined statements of what students should know and be able to do in certain content areas as they progress through school.*	*This column indicates the level at which the HSCE is assessed for the general education population, as indicated in the **Social Studies Alignment Project Clarification Document**. It will either have a "**C**" for "classroom and district level," or an "**S**" for "classroom, district, **and** state level."* *Only the HSCEs assessed at the state level were extended for the FI population.*	*This column indicates the level at which the extended HSCE (EHSCE) is assessed for the FI population.* *If this column has an "S," it means the EHSCE is state assessable. If it has an "NA," it either means (1) the original HSCE was classroom/district assessable and, therefore, was not extended for the FI population, or (2) the educators involved in the extension process determined it was not appropriate to assess the FI population on the HSCE at the state level, even after extension.* *In these instances, "NA" will also appear in the "Key Concepts" and "Extended HSCE" columns.*	*This column includes the key concepts measured by the EHSCE. To prepare this information, Michigan educators first reviewed the "Sample Responses to the Focus Questions" in the **Social Studies Alignment Project Clarification Document** and used that information to craft similar statements related specifically to the HSCE as extended.*	*This column contains the EHSCE as defined by Michigan educators. It reflects their best judgment regarding how the original, state-assessable HSCE should be reduced in depth, breadth, and complexity for the FI population.* *Each EHSCE in this column has a unique code, such as **E.1.FI.11.EH1.2**. Using this code as an example,* • ***E** = the standard category or discipline (in this case Economics),* • ***1** = the strand,* • ***FI** = the MI-Access population being assessed,* • ***11** = the grade assessed,* • ***EH** = extended HSCE,* • ***1** = the standard, and* • ***2** = the expectation.* *The coding was designed to reflect both the original social studies HSCE coding and coding for existing MI-Access EHSCEs or EBs for English language arts, mathematics, and science.*

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Grade 11 Economics Content Expectation	Gen. Ed.	FI	Key Concepts	Extended HSCE
E1—THE MARKET ECONOMY				
E1.1 Individual, Business, and Government Choices **Explain and demonstrate how economic organizations confront scarcity and market forces when organizing, producing, using, and allocating resources to supply the marketplace.**				
E1.1.1 Using examples explain how scarcity, choice, and opportunity costs affect decisions that households, businesses, and governments make in the market place and explain how comparative advantage creates gains from trade.	S	S	Scarcity means that people have more wants and needs than they have resources, which forces them to make choices. Opportunity cost refers to the consequences when a choice is made (that is, what is given up or is lost).	**E.1.FI.11.EH1.1** Demonstrate an understanding of the concepts of scarcity and opportunity cost.
E1.1.2 Identify the risks, returns and other characteristics of entrepreneurship that bear on its attractiveness as a career.	S	S	An entrepreneur is someone who invests in a business or product with the goal of making a profit. Entrepreneurship can be economically risky, but also can result in significant economic gain.	**E.1.FI.11.EH1.2** Demonstrate an understanding of what it means to be an entrepreneur.
E1.2 Competitive Markets **Analyze how the functions and constraints of business structures, the role of price in the market, and relationships of investment to productivity and growth, impact competitive markets.**				
E1.2.1 Compare and contrast the functions and constraints facing economic institutions including small and large businesses, labor unions, banks, and households.	C	NA	NA	NA

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Grade 11 Economics Content Expectation	Gen. Ed.	FI	Key Concepts	Extended HSCE
E1.2.2 Analyze how prices send signals and provide incentives to buyers and sellers in a competitive market.	C	NA	NA	NA
E1.2.3 Analyze the role investments in physical (e.g., technology) and human capital (e.g., education) play in increasing productivity and how these influence the market.	C	NA	NA	NA
E1.3 Prices, Supply, and Demand **Compare how supply, demand, price, equilibrium, elasticity, and incentives affect the workings of a market.**				
E1.3.1 Explain the law of supply and analyze the likely change in supply when there are changes in prices of the productive resources (e.g., labor, land, capital including technology), or the profit opportunities available to producers by selling other goods or services, or the number of sellers in a market.	S	S	The law of supply states that the quantity of goods supplied will be greater at a higher price than at a lower price. This is because when prices are high, producers are more willing to offer more products for sale. On the other hand, when prices are low, producers are less willing to sell products, so supply decreases. For example, producers are more willing to make jeans that sell for $100 than jeans that sell for $25 because if the cost to produce them stays the same, they will make more profit on the $100 pair.	**E.1.FI.11.EH3.1** Demonstrate an understanding of supply or how a change in price affects supply, using real life examples.

Grade 11 Economics Content Expectation	Gen. Ed.	FI	Key Concepts	Extended HSCE
E1.3.2 Explain the law of demand and analyze the likely change in demand when there are changes in prices of the goods or services, availability of alternative (substitute or complementary) goods or services, or changes in the number of buyers in a market created by such things as change in income or availability of credit.	S	S	The law of demand states that consumers will buy more goods and services at lower prices than at higher prices. This is because when prices are high, consumers either stop buying the goods and services, search for lower-cost alternatives or substitutes, or change their behavior. For example, when gasoline prices increase, people choose to carpool, ride their bikes, drive less, and/or purchase more fuel-efficient cars.	**E.1.FI.11.EH3.2** Demonstrate an understanding of demand or how a change in price affects demand, using real life examples.
E1.3.3 Analyze how prices change through the interaction of buyers and sellers in a market including the role of supply, demand, equilibrium, elasticity, and explain how incentives (monetary and non-monetary) affect choices of households and economic organizations.	S	S	Generally, suppliers want to sell at a high price and buyers want to buy at a low price. It is this interaction between suppliers and buyers that sets prices. For example, when an item is in short supply (such as a popular video game), its price may increase, but if the price gets too high, people may decide not to buy it.	**E.1.FI.11.EH3.3** Demonstrate an understanding of how the price of goods and services can change based on the interaction between supply and demand, using real life examples.
E1.4 Role of Government in the Market **Describe the varied ways government can impact the market through policy decisions, protection of consumers, and as a producer and consumer of goods and services, and explain how economic incentives affect government decisions.**				
E1.4.1 Analyze the impact of a change in public policy (such as an increase in the minimum wage, a new tax policy, or a change in interest rates) on consumers, producers, workers, savers, and investors.	C	NA	NA	NA

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E1.4.2 Analyze the role of government in protecting consumers and enforcing contracts, (including property rights), and explain how this role influences the incentives (or disincentives) for people to produce and exchange goods and services.	S	S	By writing laws and establishing regulations, the government can help protect consumers. It also can change people's behavior. For example, • requiring the use of building permits helps standardize construction and ensure safety; • tax rebates for energy efficient products encourage environmental stewardship; • behavioral taxes discourage unhealthy behaviors, such as smoking; • requiring the use of car seats protects children from injury in car accidents; and • agency oversight ensures safe food and drugs.	**E.1.FI.11.EH4.2** Identify one or more financial or legal methods the government uses to protect consumers or change behavior.
E1.4.3 Analyze the ways in which local and state governments generate revenue (e.g., income, sales, and property taxes) and use that revenue for public services (e.g., parks and highways).	S	S	Governments generate revenue for public goods and services by taxing sales, income, wealth, and property, as well as by collecting fines and licenses. Two examples of taxes include the gasoline tax, which is used to provide and care for highways, and the sales tax, which is used to pay for education and other government services.	**E.1.FI.11.EH4.3** Identify one or more ways in which state and local governments generate and/or spend revenue. *(See also E.2.FI.11EH2.5, which assesses similar concepts, but at the federal level.)*

Grade 11 Economics Content Expectation	Gen. Ed.	FI	Key Concepts	Extended HSCE
E1.4.4 Explain the various functions of government in a market economy, including the provision of public goods and services, the creation of currency, the establishment of property rights, the enforcement of contracts, correcting for externalities and market failures, the redistribution of income and wealth, regulation of labor (e.g., minimum wage, child labor, working conditions), and the promotion of economic growth and security.	S	S	A market economy is one in which economic decisions and prices are based on and set by supply and demand (i.e., the interaction between buyers and sellers). A market economy is not planned or controlled by a central authority (such as the government), but the government does play a role. For example, it • provides public goods and services; • creates currency; • enforces contracts; • redistributes income and wealth (e.g., food stamps, Medicaid, FHA insured loans, the earned tax credit, student loans, unemployment, etc.); • regulates labor (e.g., minimum wage, child labor, working conditions, and work permits); and • promotes economic growth and security.	**E.1.FI.11.EH4.4** Identify one or more roles the government plays in a market economy (e.g., provides goods/services, redistributes income and wealth through taxation and entitlements, and regulates labor).
E1.4.5 Identify and explain how monetary and non-monetary incentives affect government officials and voters and explain how government policies affect the behavior of various people including consumers, savers, investors, workers, and producers.	C	NA	NA	NA

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Grade 11 Economics Content Expectation	Gen. Ed.	FI	Key Concepts	Extended HSCE
E2—THE NATIONAL ECONOMY OF THE UNITED STATES OF AMERICA				
E2.1 Understanding National Markets **Describe inflation, unemployment, output, and growth, and the factors that cause changes in those conditions, and describe the role of money and interest rates in national markets.**				
E2.1.1 Describe how individuals and businesses earn income by selling productive resources.	S	S	Businesses and individuals sell goods and services in order to make a profit and earn income.	**E.2.FI.11.EH1.1** Identify one or more reasons why businesses and individuals sell goods and services, using real life examples.
E2.1.2 Using the concept of circular flow, analyze the roles of and the relationships between households, business firms, financial institutions, and government and nongovernmental agencies in the economy of the United States.	C	NA	NA	NA
E2.1.3 Analyze how decisions by the Federal Reserve and actions by financial institutions (e.g., commercial banks, credit unions) regarding deposits and loans, impact the expansion and contraction of the money supply.	C	NA	NA	NA

Grade 11 Economics Content Expectation	Gen. Ed.	FI	Key Concepts	Extended HSCE
E2.1.4 Explain the relationships between money supply, inflation, and recessions.	S	NA	NA	NA
E2.1.5 Use GDP data to measure the rate of economic growth in the United States and identify factors that have contributed to this economic growth.	C	NA	NA	NA
E2.1.6 Unemployment – Analyze the character of different types of unemployment including frictional, structural, and cyclical.	S	NA	NA	NA

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E2.1.7 Using a number of indicators, such as GDP, per capita GDP, unemployment rates, and Consumer Price Index, analyze the characteristics of business cycles, including the characteristics of peaks, recessions, and expansions.	C	NA	NA	NA
E2.1.8 Explain how spending on consumption, investment, government and net exports determines national income; explain how a decrease in total expenditures affects the value of a nation's output of final goods and services.	C	NA	NA	NA

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E2.1.9 Analyze the changing relationship between the American economy and the global economy including, but not limited to, the increasing complexity of American economic activity (e.g., outsourcing, off-shoring, and supply-chaining) generated by the expansion of the global economy. *(National Geography Standard 11, p. 206)*	S	NA	NA	NA

Grade 11 Economics Content Expectation	Gen. Ed.	FI	Key Concepts	Extended HSCE
E2.2 Role of Government in the United States Economy **Analyze the role of government in the United States economy by identifying macroeconomic goals; comparing perspectives on government roles; analyzing fiscal and monetary policy; and describing the role of government as a producer and consumer of public goods and services. Analyze how governmental decisions on taxation, spending, protections, and regulation impact macroeconomic goals.**				
E2.2.1 Identify the three macroeconomic goals of an economic system (stable prices, low unemployment, and economic growth).	S	S	The three goals of an economic system are stable prices, low unemployment, and economic growth (e.g., more jobs, money, and goods).	**E.2.FI.11.EH2.1** Identify one or more goals of an economic system.
E2.2.2 Compare and contrast differing policy recommendations for the role of the Federal government in achieving the macroeconomic goals of stable prices, low unemployment, and economic growth.	C	NA	NA	NA
E2.2.3 Analyze the consequences – intended and unintended – of using various tax and spending policies to achieve macroeconomic goals of stable prices, low unemployment, and economic growth.	S	NA	NA	NA

Grade 11 Economics Content Expectation	Gen. Ed.	FI	Key Concepts	Extended HSCE
E2.2.4 Explain the roles and responsibilities of the Federal Reserve System and compare and contrast the consequences – intended and unintended – of different monetary policy actions of the Federal Reserve Board as a means to achieve macroeconomic goals of stable prices, low unemployment, and economic growth.	S	S	The main purpose of the Federal Reserve System is to stabilize the economy and promote economic growth by controlling the money supply and interest rates (on such things as savings accounts and loans). The interest rate is the rate that is charged or paid for the use of money. It is often expressed as an annual percentage of the principle (or the total amount borrowed).	**E.2.FI.11.EH2.4** Demonstrate an understanding of interest rates (e.g., what body sets them and their impact on such things as car loans, home loans, credit cards, etc.).
E2.2.5 Analyze the ways in which governments generate revenue on consumption, income and wealth and use that revenue for public services (e.g., parks and highways) and social welfare (e.g., social security, Medicaid, Medicare).	S	S	The federal government generates revenue for public goods and services by taxing sales, income, wealth, and property, as well as by collecting fines and licenses.	**E.2.FI.11.EH2.5** Demonstrate an understanding of a way the federal government generates and/or spends revenue. *(See also E.1.FI.11.EH4.3, which assesses similar concepts, but at the local and state level.)*

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E3—THE INTERNATIONAL ECONOMY				
E3.1 Economic Systems **Explain how different economic systems, including free market, command, and mixed systems, coordinate and facilitate the exchange, production, distribution, and consumption of goods and services.**				
E3.1.1 Give examples of and analyze the strengths and weaknesses of major economic systems (command, market and mixed), including their philosophical and historical foundations (e.g., Marx and *Das Kapital*, Adam Smith and the *Wealth of Nations*). (*National Geography Standard 11, p. 206*)	C	NA	NA	NA
E3.1.2 Assess how factors such as availability of natural resources, investments in human and physical capital, technical assistance, public attitudes and beliefs, property rights, and free trade can affect economic growth in developing nations. *(National Geography Standards 1 and 4, pp. 184 and 190)*	S	NA	NA	NA

Grade 11 Economics Content Expectation	Gen. Ed.	FI	Key Concepts	Extended HSCE
E3.1.3 Evaluate the diverse impact of trade policies of the World Trade Organization, World Bank, or International Monetary Fund on developing economies of Africa, Central America, or Asia, and the developed economies of the United States and Western Europe. *(National Geography Standard 11, p. 206)*	C	NA	NA	NA
E3.1.4 Using current and historical data on real per capita GDP for the United States, and at least three other countries (e.g., Japan, Somalia, and South Korea) construct a relationship between real GDP and standard of living. *(National Geography Standard 11, p. 206)*	C	NA	NA	NA
E3.1.5 Using the three basic economic questions (e.g., what to produce, how to produce, and for whom to produce), compare and contrast a socialist (command) economy (such as North Korea or Cuba) with the capitalist as a mixed, free market system of the United States. (*National Geography Standard 11, p. 206)*	S	NA	NA	NA

Grade 11 Economics Content Expectation	Gen. Ed.	FI	Key Concepts	Extended HSCE
E3.1.6 Analyze the impact of transitional economies, such as in China and India, on the global economy in general and the American economy in particular. *(National Geography Standard 11, p. 206)*	S	NA	NA	NA
E3.2 Economic Interdependence – Trade **Describe how trades generate economic development and interdependence; and analyze the resulting challenges and benefits for individuals, producers, and government.**				
E3.2.1 Use the concepts of absolute and comparative advantage to explain why goods and services are produced in one nation or locale versus another. *(National Geography Standard 11, p. 206)*	S	NA	NA	NA
E3.2.2 Assess the impact of trade policies (i.e. tariffs, quotas, export subsidies, product standards and other barriers), monetary policy, exchange rates, and interest rates on domestic activity and world trade. *(National Geography Standard 11, p. 206)*	S	NA	NA	NA

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E3.2.3 Describe how interest rates in the United States impact the value of the dollar against other currencies (such as the Euro), and explain how exchange rates affect the value of goods and services of the United States in other markets. *(National Geography Standard 11, p. 206)*	C	NA	NA	NA
E3.2.4 Analyze how the decisions made by a country's central bank (or the Federal Reserve) impact a nation's international trade. (*National Geography Standard 13, p. 210*)	S	NA	NA	NA
E3.2.5 Analyze and describe how the global economy has changed the interaction of buyers and sellers, such as in the automobile industry. (*National Geography Standard 13, p. 210)*	S	NA	NA	NA

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E4—PERSONAL FINANCE				
E4.1 Decision Making **Describe and demonstrate how the economic forces of scarcity and opportunity costs impact individual and household choices.**				
E4.1.1 Apply concepts of scarcity and opportunity costs to personal financial decision making.	C	NA	NA	NA
E4.1.2 Use examples and case studies to explain and evaluate the impact of marginal benefit and marginal cost of an activity on choices and decisions.	C	NA	NA	NA
E4.1.3 Develop a personal finance strategy for earning, spending, saving and investing resources.	C	NA	NA	NA
E4.1.4 Evaluate key components of personal finance including, money management, saving and investment, spending and credit, income, mortgages, retirement, investing (e.g., 401K, IRAs), and insurance.	C	NA	NA	NA

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E4.1.5 Use a decision-making model (e.g., stating a problem, listing alternatives, establishing criteria, weighing options, making the decision, and evaluating the result) to evaluate the different aspects of personal finance including careers, savings and investing tools, and different forms of income generation.	C	NA	NA	NA
E4.1.6 Develop a risk management plan that uses a combination of avoidance, reduction, retention, and transfer (insurance).	C	NA	NA	NA

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S (when it appears in the General Education and/or FI columns) = Assessed at classroom, district, ***and*** state level.
NA = Not assessed at the state level (either because the general education population is assessed on this HSCE only at the classroom and district level or because the educators involved in the extension process determined it was not appropriate to assess the FI population on this HSCE at the state level, even after extension).