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***Microeconomics: Markets, Prices, and Business Competition***

**Economics, Unit #4**

Chapters 8, 9, 12

CCCS Reading Standards 12.2, 12.3, 12.4, 12.7, 12.9, CCCS Writing Standards 12.2, 12.6, 12.7, 12.9, 12.10

State Standards 12.2, 12.4

**Overview:** This unit is specifically a Microeconomic unit of study that focuses on the various business organizations, market structures, and the labor force. We will focus on the advantages and disadvantages of owning, investing and/or working for different types of firms in different types of industries. We will also examine the role of labor unions in our economy looking at how they function and what their impact is.

1. **Essential Question(s)**: By the end of the unit, students should be able to expertly answer the following question(s):
   1. Define the various business organizations (sole proprietorship, partnership, corporation, and franchise) and give the pros and cons of each. Which you prefer to work for some day and why?
   2. Identify the characteristics of the four market structures and explain the difference in competition that firms face in each.
   3. Explain the role of labor unions and their impact on the economy. What are “right-to-work” laws and how do they affect the labor force?
2. **Key Terms**: In order to fully understand and connect the current topic of inquiry with previous and future topics in economics and the social sciences, it is necessary to have a working knowledge of the following key terms. Divide paper into six squares. Label each square with the idea/term at the bottom. On one side, define the term. On the other side use a picture, headline from a newspaper, or current event topic to demonstrate your knowledge of the term and its’ application to our society.

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| 1. sole proprietorship  2. unlimited liability  3. partnership  4. limited partnership  5. limited liability  6. corporation  7. corporate charter  8. franchise | 9. preferred stock  10. common stock  11. perfect competition  12. monopoly  13. oligopoly  14. monopolistic competition  15. anti-trust legislation  16. mergers (vertical, horizontal) | 17. conglomerate  18. deregulation  19. blue-collar workers  20. white-collar workers  21. labor unions  22. collective bargaining  23. mediation  24. arbitration |

1. **People/Case Studies:** People make economic choices every day, some of these choices seem irrelevant and others change our lives and how we live them. The following people and/or groups have made economic choices that are worth considering as an example of what we are learning in class. Use pictures and key words to illustrate each of the people below. Divide your paper into four squares. For each person use one square for illustrations and key words and the other square for important facts about the person and their contribution to society and economics.

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| 1. sole proprietorship (ebay, kinkos)  2. partnership (Apple, Google, Twitter, Ben & Jerry’s)  3. franchise (Subway, 7-eleven, Dunkin Donuts)  4. corporations (Johnson & Johnson’s, Kraft Foods, UPS) | 5.monopoly (U.S.P.S., Southern California Edison, RTA)  6. inventor (Thomas Edison, Alexander Graham Bell, George  Washington Carver)  7. entrepreneur (Sean Combs, Michael Bloomberg, Larry Ellison)  8. CEO (Steve Ballmer, Elon Musk, Jerry Buss) | |
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1. **Ideas, Skills, and Concepts:** Economics requires the understanding of certain ideas and concepts but also the application of certain skills to solve real world problems and make sound economic choices. The following topics are essential to the study of economics and the ability to use it in your daily life.

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| 1. Business Organizations  2. Market Structures | 3. Labor Force  4. Labor Unions |

1. **Graphic Organizers:** (skills worksheets, charts, graphs, organizers, etc.) – Graphic organizers serve as a way to practice and review economic skills and concepts, creating not only a deeper understanding of the topics being addressed but also allows for mastery of skills and concepts prior to formal assessment.

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| 1. “Greed” video Guide  2. Business Organizations | 3. Market Structures  4. Analyzing a Paycheck | 5. Salary Data  6. “Tucker” Video Guide |

1. **Articles/ Current Events:** Articles and/or current events will be provided by the teacher or assigned for individual research on topics that are relevant to the current unit of study in order to emphasize the link to the “real world.” Complete the following assignment for each article or current event. 1) Write a paragraph summarizing the main ideas in the article, 2) write a paragraph explaining how these ideas or concepts relate to everyday life (give an example of a practical application in the real world), and 3) write a paragraph explaining your personal opinion.

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| 1. Franchises | 2. Mergers |  |

1. **Class Notes:** Use Cornell notes to record class lectures.
2. **Key Unit Questions:** Use key terms as well as personal opinion to answer the following questions with thoughtful, complete sentences. Quality responses will be several sentences or a small paragraph. You do not need to re-write the questions.
   1. Find an example of a recent merger. What companies merged? What reasons did you find for the merger? Do you think this was a good thing for the United States Economy? For the consumers?
   2. What are the pros and cons of operating a franchise? Who do you think benefits the most, the business selling the franchise or the franchisee (person who bought the franchise)? Why or how?
   3. Give some examples of industries in which we consider monopolies to be good for consumers and our economy as a whole. Explain how this can benefit us.
   4. List and explain 3-4 of the factors that determine what a person is paid for their work.
   5. In your opinion are labor unions good for the U.S. economy? In what ways? Explain.
3. **Miscellaneous*: “So You Think You Can Sell?” Marketing Project:*** You may work in groups of up to 3 people. You must “invent” an *appropriate* product and create a clever, informative advertisement describing the features of the product, price, etc. You must make a print ad (small poster or magazine size ad) and you must write and perform a jingle (song with at least 3 verses) for radio or TV*. Extra credit is available for making a prototype of your product and/or performing a skit or commercial in class.*
4. **Capstone Activity:** Each unit will contain at least one assignment that will be saved as part of a culminating semester long final project. This unit students will select three unrelated products that they purchase or use regularly and research the firms that produce the goods and the industries that they operate in. For each product, students will identify the type of business organization, write a profile of that particular business, identify the market structure in which the firm operates and the characteristics of that particular market structure.

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| **COMMON CORE LITERACY STANDARDS** |

**Reading History:**

12.2 Determine central ideas or information or a primary or secondary source; provide an accurate summary that makes clear the relationships among the key details and ideas.

12.3 Evaluate various explanations for actions or events and determine which explanation best accords with textual evidence, acknowledging where the text leaves matters uncertain.

12.4 Determine the meaning of words and phrases as they are used in a text, including analyzing how an author uses and refines the meaning of a key term over the course of a text.

12.7 Integrate and evaluate multiple sources of information presented in diverse formats and media.

**Writing History:**

12.2 Write informative/explanatory texts, including scientific procedures/experiments, or technical processes, including formatting graphics.

12.6 Use technology, including the internet, to produce, publish, and update individual or shared writing products in response to ongoing feedback, including new arguments or information.

12.7 Conduct short as well as more sustained research projects to answer a question or solve a problem; narrow or broaden the inquiry when appropriate; synthesize multiple sources on the subject, demonstrating understanding of the subject under investigation.

12.9 Draw evidence from informational texts to support analysis, reflection, and research.

12.10 Write routinely over extended time frames and shorter time frames for a range of discipline specific tasks, purposes, and audiences.

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| **CALIFORNIA STATE CONTENT STANDARDS** |

###### 12.2 Students analyze the elements of America's market economy in a global setting.

1. Understand the relationship of the concept of incentives to the law of supply and the relationship of the concept of incentives and substitutes to the law of demand.
2. Discuss the effects of changes in supply and/ or demand on the relative scarcity, price, and quantity of particular products.
3. Explain the roles of property rights, competition, and profit in a market economy.
4. Explain how prices reflect the relative scarcity of goods and services and perform the allocative function in a market economy.
5. Understand the process by which competition among buyers and sellers determines a market price.
6. Describe the effect of price controls on buyers and sellers.
7. Analyze how domestic and international competition in a market economy affects goods and services produced and the quality, quantity, and price of those products.
8. Explain the role of profit as the incentive to entrepreneurs in a market economy.
9. Describe the functions of the financial markets.
10. Discuss the economic principles that guide the location of agricultural production and industry and the spatial distribution of transportation and retail facilities.

###### 12.4 Students analyze the elements of the U.S. labor market in a global setting.

1. Understand the operations of the labor market, including the circumstances surrounding the establishment of principal American labor unions, procedures that unions use to gain benefits for their members, the effects of unionization, the mini-mum wage, and unemployment insurance.
2. Describe the current economy and labor market, including the types of goods and services produced, the types of skills workers need, the effects of rapid technological change, and the impact of international competition.
3. Discuss wage differences among jobs and professions, using the laws of demand and supply and the concept of productivity.
4. Explain the effects of international mobility of capital and labor on the U.S. economy.