



Economics 120

Educational Programs & Services

Department of Education

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ACKNOWLEDGEMENTS

The Department of Education gratefully acknowledges the work of the following people in the preparation of this document:

Manford Wasson	Miramichi Valley High
Ross Giber son	Oromocto High
Bill Roderick	St, Malachy's High
Fred Arnold	Fredericton High
Bruce Cameron	Sugarloaf High
Ken Carroll	Riverview High
Arnold Taylor	St. Vincent's High
Francis Wheaton	Simond's High
Avis Fitton	Department of Education

MATERIALS

Student Texts

- Thexton, James D. Made in Canada, Economics for Canadians., 2nd ed., Oxford University Press, Toronto, 1988. (one copy per student)
- Hird, H. Richard. Working with Economics. 3rd ed. Maxwell MacMillan Canada, Don Mills Ontario, 1991. (one copy per 5 students)

Teachers Guides

- Thexton, James D. Made in Canada, Economics for Canadians, Teachers Guide. 2nd ed., Oxford Univ. Press, Toronto, 1988 (one copy per teacher)
- Hird, H. Richard, Working with Economics Instructors Manual 3rd ed., Maxwell MacMillan Canada, Don Mills Ontario, 1991 (one copy per teacher)

Supplementary Text

- Lyons, Brian. Canadian Microeconomics - Problems and Policies. 3rd ed., Prentice-Hall Canada Inc., Scarborough, 1990
- Lyons, Brian. Canadian Macroeconomics - Problems and Policies., 3rd ed., Prentice-Hall Canada Inc., Scarborough, 1990

ECONOMICS 120

General Aim

The general aim of the Economics 120 program for New Brunswick is to provide students with a basic understanding of our economic system and how it works., It will explore the various factors that affect our economic decision making whether they be individual or group decisions. It should enable students to acquire relevant information on key economic topics and issues as well as make objective judgements through critical thinking and rational decision making.

Rationale

Few people would deny the fact that economics pervades almost all aspects of our lives today, and the need for economic literacy has never been greater. Many of the daily problems that confront us are economic in nature. The headlines of our newspapers tell us about economic recession and high taxes; world conflicts give uncertainty to oil prices; and the inability of governments to deal with high deficits influences all of us. New international trade arrangements have changed the nature of our productive capacity and the break-up of Eastern Europe has far reaching effects on Canadian producers as we move to a more global economy. The economic growth and influence of the Pacific Rim has also caused major shifts in the world economics and political climate.

A sound economics course must be one wherein students acquire basic economic skills, understand basic concepts and use techniques that will enable them to make rational judgements. Understanding basic concepts and acquiring techniques will enable students to meet the challenges of a complex and rapidly changing world.

Teachers must be cognizant of the fact that we are teaching basic economics. The High School course is not a university course and we are not training economists. A reasonable ratio between theory and reality, between basic concepts and immediate economic issues must be maintained, If however the necessary skills are present, specific facts or current economic events should acquire much more meaning, during, and hopefully after the course itself.

Goals and Objectives

The main goals of Economics 120 are to provide students with opportunities to:

1. Acquire knowledge of how our Canadian economic system works, and how the student as a consumer or producer fits into the economic scheme of things.
2. Acquire an understanding of basic economic terms and concepts. i.e., economic "language".
3. Apply economic concepts to current issues and problems of a local, provincial, national and international nature.
4. Understand the role of Canada's major economic institutions and how they interact.
5. Interpret economic information i.e. graphs, charts, statistics and economic cartoons.
6. Exercise an informed and reasoned approach to economic decision making.

Strategies and Activities

Teaching strategies for economics may vary according to the learning situation. The key word in methodology would be variety.. Teachers should try to treat the subject by using many different approaches that would capture student interest and have them maintain an interest in the subject long after the course is completed. Teachers may achieve this by:

1. Encouraging the reading of economic articles in the newspapers, as well as periodicals and resource books.
2. Following issues of economic concern in the media: the budget, unemployment and inflation statistics, stock market reports, business mergers, etc.
3. Using statistics such as the unemployment rate, C.P.I., G.D.P., the value of the Canadian dollar, gold and silver prices, and the bank rate.

Other useful strategies are outlined below:

4. Many economic concepts may be more easily understood through role playing or simulations.
5. Many new computer games on economics are now available.
6. The teacher may use community resources by having speakers in on such topics as banking, insurance, investment and industry. Field trips to local industries are suggested.
7. The analysis of cartoons related to economics provides an excellent opportunity for analytical skill development.
8. Student projects such as case studies and article clippings on economic issues can be very helpful. Students may follow the progress of particular companies or get involved in stock market programs such as that offered by Sir Wilfred Laurier University.
9. Students can examine specific topics through research projects and report within cooperative groups.
10. Films, videos and other media programs may be used.

Evaluation

Evaluation should determine to what extent students have understood the basic concepts and principles, and how they relate them to the economic activity that they observe around them in the media. Teachers can make up basic quizzes and formal tests on each unit of study. Evaluation should also include specific assignments or individual or group presentations. Students may interpret case studies, develop graphs or statistical information or take part in debates. All of these suggestions may help the teacher' evaluate student performance.

Many tests, exercises and projects are provided in the Guides that accompany the basic and supplementary texts and teachers should familiarize themselves with these. In addition, many standardized multiple choice questions are available.

Outline of Course Content

The following units outline basic economic concepts, skills and techniques for Economics 120.

Included for each unit is a statement of intent that gives an overview of the unit as well as the generalizations and learning outcomes. Key terms and concepts are identified.

Consideration should be given to all units; however, the time for each will vary as suggested by the overview and concepts identified for each unit. Teachers should use a selection process that exercises sound judgement and should not overemphasize some areas to the detriment of others. There are times that topics of a local or national interest arise and teachers may take advantage of student interest to deal with these. In short, a reasonable balance must be attained in the allocation of a basic resource-time.

List of Outlines

- Unit 1 - Economics: Introduction and Terminology
- Unit 2 - Comparative Economic Systems
- Unit 3 - Business Organization
- Unit 4 - Demand, Supply and the Market
- Unit 5 - Labour Unions
- Unit 6 - Money and Banking
- Unit 7 - Public Finance
- Unit 8 - International Trade
- Unit 9 - Distribution
- Unit 10 - Performance of the Canadian Economy

Unit Outlines

Unit 1 **Economics: Introduction and Terminology**

Students should gain a basic knowledge of the nature and importance of Economics by:

- Examining definitions of what Economics is
- Considering why Economics is a Social Science
- Examining the difference between micro and macro Economics
- Considering reasons why the study of Economics is important

An examination of the production possibilities curve and a circular flow chart should be introduced.

Key Terms and Concepts:

- scarcity and choice
- factors of production (natural, human and capital resources)
- capital and consumer goods
- goods and services
- direct and opportunity costs

Unit 2 Comparative Economic Systems

Students should understand that the basic economic problems faced by individuals are also faced by societies.

An understanding of the three major questions faced by different societies is basic to this unit:

- What are we going to produce?
- How is it to be produced?
- Who receives how much?

The development of economic thought and how it was influenced by different economic thinkers should be considered.

Another factor included in this unit is a comparison of how the economy of various countries fits into the model economies as to population, G.D.P., per capita income. Consideration should be given as to how the three basic questions are solved differently.

The role of entrepreneurship in a market economy is another consideration for this unit.

Key Terms and Concepts:

- traditional, command, market economies
- G.D.P.
- per capita income

* An excellent source to introduce students to the development of economic systems in Heilbroner (see references).

Unit 3 **Business Organization**

Students should understand the different organizations of business in our economic system,, Examination should be given to the following types: sole proprietorship, partnership, corporations (including multi-nationals), co-operatives and government enterprises.

An examination of the types of securities and the stock and bond markets should be treated here.

Consideration should be given to the different types of markets.

Teachers should introduce students to the role of the entrepreneur, small business and the franchise in this section.

Crown corporations could be studied either in this unit or unit 7.

Key Terms and Concepts: entrepreneurship

- entrepreneurship
- sole proprietorship
- partnership
- corporation
- multinationals
- co-operatives
- government enterprises
- **monopolies**
- oligopolies
- competitive markets

Unit 4 Demand, Supply, and the Market

This unit is intended to give students an understanding of how prices are determined in the marketplace.

Basic topics in this unit include:

- The nature and determinants of supply and demand.
- Supply and demand as determinants of prices within free and competitive markets.
(Students should be able to understand the concept of a market and be able to recognize graphs showing how supply and demand interact to determine price.)
- The concept, measurement and implications of elasticity of demand and supply.
- Conclude with the effect that government can have on supply, demand, and equilibrium price, (The effects of such things as taxes, marketing boards, rent controls and price fixing might be studied.)

The following points should be considered in studying this unit:

- Ensure that students do not confuse changes in quantity demanded or supplied with changes in demand or supply.
- Students should become thoroughly familiar with graphs and their interpretation.
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Key Terms and Concepts:

- inequalities
- inactions of markets
- demand
- supply

Unit 5 Labour Unions

An understanding of the role of labour unions within the Canadian economy is a key objective of this unit.

The following points should be included in this consideration:

- A brief history of unionism in Canada.
- The structure of unions, (local, national and international) as well as central labour organizations.
- The process of collective bargaining.
- Union negotiations from proposals to settlement.
- Union terms.
- Ways that unions use their power to gain wage increases.

Key Terms and Concepts:

- collective bargaining
- management
- Labour

Consideration of the following topics are suggested as optional components of this unit.

- Major concerns or issues facing unions in the future.
- Possible alternatives to unions.
- The effect of a strike on a community either through a case study or investigation.

Unit 6. Money and Banking

Interest rates play an important role in the Canadian economy. The evolution of money and the banking system will be examined in this unit. The following points should be addressed in this unit:

- Brief history of money and the barter system,,
- Definition, characteristics and functions of money.
- Components of the money supply,,
- The role of chartered banks and other financial institutions,,
- The deposit creation capacity of the banking system,,
- The Bank of Canada and its functions.
- The control of the money supply and the methods used by the Bank of Canada to accomplish this function.

Optional Areas

- Current issues that affect financial institutions
- Services offered by banks, chequing, saving, etc.
- Comparison of the American and Canadian banking systems.
- Personal finance, using cheques, student loans,

Key Terms and Concepts:

- Bank
- Financing

Unit 7 Public Finance

Public finance deals with government expenditures and revenues.

Topics that should be introduced in this section are:

- Major ways governments influence the economy.
- Reasons for growth in federal government spending, i.e. wars, social programs.
- Government expenditures by the three levels of government. (Government programs require financing; therefore the three levels have developed systems to generate revenue.)
- Federal and provincial debts and their effects.
- Principles of taxation.
- Sources of government revenues from the three levels of government, i.e. income taxes, sales taxes.
- Progressive, regressive, proportional, direct and indirect taxes.
- Regulations of business by government.

Crown Corporations could be studied either in this unit or in unit three. Students might look at the Federal and Provincial budgets when they are presented. A practical experience would be to introduce students to tax returns.

Key Terms and Concepts:

- Debt Financing
- Tax Bases
- Progressive Taxes
- Regressive Taxes
- Proportional Taxes
- Direct and Indirect Taxes

Unit 8 International Trade

Employment and growth in Canada depends very much on International trade. Students should examine the importance of international trade to Canada, As part of this study the following topics should be addressed:

- Historical patterns of Canadian trade especially the shift from the British to the Americans as our chief trading partner.
- Absolute and comparative advantages.
- Government policies that affect trade. (This should include tariffs, embargoes, quotas and licensing.)
- Arguments for and against international trade.
- Identification of our trading partners.
- Consideration of capital movements, balance of payments and exchange rates. The role of G.A.T.T. and the European Economic Community.
- The Canada - U.S., Free Trade Agreement
- The place of foreign investment in Canada.

Optional areas:

- International Monetary System.
- Problems of the international monetary system.
- Gold and foreign exchange speculation.
- I.M.F. as a vital lending institution to debtor countries.

Key Terms and Concepts:

- absolute and comparative advantages
- balance of payments
- exchange rates.

Unit 9 **Distribution**

This unit focuses on the "for whom" question of economics. How our society determines who gets what portion of the economic pie is the major consideration of this unit. Topics to study include:

- How supply and demand interacts in labour markets to determine wages and salaries.
- Discussion of other forms of income, i.e. savings, interest, rents, profits.
- Factors, both government and private, that influence income.
- The causes of income inequality in Canada.
- Government programs to reduce inequalities.

Key Terms and Concepts:

- inequalities

Unit 10 **Performance of the Canadian Economy**

This unit deals with the overall view of the Canadian Economy. (Macro Economics)

A good starting point would be to review and examine the list of goals as outlined by the Economic Council of Canada. Examining business cycles should demonstrate to students the fluctuations in the performance of the economy.

The following topics are included in this study:

- Measurement of the Economy (National Accounts)
- The expenditure and income approach to G.D.P. (Statistics Canada tables)
- Economic Indicators: i.e. The Labour Force Survey to determine unemployment rates and The Consumer Price Index to determine the measure of inflation.
- Types of unemployment and causes of inflation.
- Government policies to level out the cycle.
- Monetary and fiscal policies to stabilize the economy.
- Economic growth - its determinants and costs.

If time permits students might look at the Atlantic Provinces as an example of regional disparity in Canada. (Many useful materials on Regional Disparity are published by the Atlantic Provinces Economic Council in Halifax.)

These are probably the most difficult topics for students but in many ways are the most important in the course. To re-enforce the concepts involved students should be encouraged to apply the ideas to current problems and government policies.

Key Terms and Concepts:

- National Accounts
- Economic Indicators

REFERENCES

Periodicals

APEC Newsletter, Atlantic Provinces Economic Council, Halifax (4/year).

Au courant, Economic Council of Canada, Ottawa (quarterly).

Bank of Canada Review, Bank of Canada, Ottawa (monthly).

Canada and the World, R/L Taylor Publishing, Oakville (9/year).

Canadian Business, CB Media Limited, Toronto (monthly).

Canadian Business Review, Conference Board of Canada, Ottawa.

Canadian Economic Observer, Statistics Canada, Ottawa (quarterly).

Canadian Public Policy, University of Toronto Press, Toronto (quarterly).

Canadian Social Trends, Statistics Canada, Ottawa (quarterly).

Economist, The Economist Newspaper Ltd., New York (weekly).

Financial Post, Maclean Hunter Publishing, Toronto (weekly).

The History and Social Science Teacher, Grolier Publishing, Toronto (4/year).

Maclean's, Maclean Hunter Publishing, Toronto (weekly).

Policy Options, Institute for Research on Public Policy, Halifax (10/year).

The New Brunswick Economy. 1991, Department of Finance, Fredericton, N.B.

[Note: All the banks have newsletters]

Classroom Texts and Reference Works

- Archer, Maurice, Introductory Macroeconomics: A Canadian Analysis., 2nd ed. Oakville, Maurice Archer Enterprises, 1987
- Armstrong, Muriel. The Canadian Economy and its Problems. 4th ed. Scarborough, Prentice-Hall of Canada, 1988.
- Bellan, R.C. Principles of Economics and the Canadian Economy., 7th ed Toronto, McGraw-Hill Ryerson, 1985.
- Brown, Barbara E. Canadian Business and Economics: A Guide to Sources of Information., Ottawa, Canadian Library Association, 1984. (New edition in April 1991)
- Crane, David.. A Dictionary of Canadian Economics. Edmonton, Hurtig, 1980.
- Economic Council of Canada. Annual Review. Ottawa, Economic Council of Canada, annual.
- C.D. Howe Institute., Policy. Review and Outlook. Toronto, C.D. Howe Institute, annual
- Heilbroner, Robert L. The Making of Economic Society. 6th ed. Scarborough, Prentice-Hall of Canada, 1980.
- Jennings, William E., Peter C.. Moffat and Edmund G.. Staunton. Canada's Economy; an Activity Approach. Toronto, Ontario Institute for Studies in Education, 1981.
- Kennedy, Peter and Gary Dorosh. Dateline Canada: Understanding Economics Through Press Reports. 4th ed.. Scarborough, Prentice-Hall of Canada, 1989.
- MacMillan, Alexander. Macroeconomics. the Canadian Context. 3rd ed. Toronto, Prentice-Hall of Canada, 1989
- MacMillan, Alexander. Microeconomics. the Canadian Context. 3rd ed, Toronto, Prentice-Hall of Canada, 1989
- McConnell, Campbell R. and William Henry Pope. Economics; Principles. Problems and Policies. 5th Canadian ed. Toronto, McGraw-Hill Ryerson, 1990.

Procunier, Patricia M. and Elbert V. Bowden. Abridged Economies: the Science of Common Sense We d : **Toronto, Nelson Canada, 1989** r t ,

Samuelson, Paul A, and Anthony Scott, Economics. 6th McGraw-Hill Ryerson, 1988

Stager, David. Economic Analysis and Canadian Policy. Canadian ed. Toronto, 6th ed. Toronto, Butterworth, 1988.

Canadian Foundation for Economic Education - List of Resources

Issues in the Canadian Economy

IS.26 – Federal Debt and Deficits: The Current Debate

IS.27 – Women in the Workforce

IS.28 – Government Debt and Deficits: Should You Be Concerned?

IS.29 – The Economy and the Environment: The Prospects for Partnership

Labour Market:

- Teachers Resource Package: A 40-page suggested teaching unit for teaching about the Labour Market

Special "Issue" Type Publication

PFP - Personal Financial Planning: Suggestions and Advice

Other Publications

CE/EC - The Canadian Economy: Adjusting to Global Change/L'Economie Canadienne: S'adapter a la mondialisation du marche

IED - International Economic Development: What Path? What Future?

EX/CAN - Export Canada: Opportunities and Challenges in the World/Economy/Les Exportations Canadiennes: Chances et défis dans l'économie mondiale

ENTR - Entrepreneurship: A Primer for Canadians/L'Entrepreneurship

M&Y - Money and Youth

BB - Bizball - A look at basic business and economic concepts via major league baseball

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- BP** - The Business Page by Wayne Cheveldayoff
- ECN/BUL** - Economic Bulletin #1 - Black Monday: Why the Panic? Why the Plunge?
Economic Bulletin #2 - The Canada U.S. Free Trade Agreement: Background, Overview and Perspectives
Economic Bulletin #3 - An Overview of the Goods and Services Tax #4 - Canada in Recession: A Backgrounder and Some Perspectives
- RLR** - The Economy: Why the Roller coaster Ride? (\$1.75 each)
- BREE** - Bibliography of Resources in Economic Education/Bibliographie des ressources en l'education economique

CFEE Software

INCOME/OUTCOMES\$ - available formats: Apple II; IBM and IBM compatible; - Also available in French - RESSOURCES/RESULTANTS for Apple II format only. EXCHANGE - available for Apple II computers

CFEE Videos

ENTREPRENEURSHIP FOR CANADIANS: THE SPIRIT OF ADVENTURE

- comprises six half-hour videos (VHS format), an orientation video and an accompanying user's guide. This series, designed for students at high school, community college and university level, focuses on the formative stages of entrepreneurship education.

Additional Sources of Useful Materials

It would be useful for teachers to belong to the Canadian Foundation for Economic Education, 2 St. Clair Avenue West, Suite 501, Toronto, Ontario, Canada, M4V 1L5. They have many excellent resources and members receive copies of their publications.

Economic articles appear often in Time, Newsweek, and Macleans as well as other business magazines. The Bank Letters of Canadian banks have up-to-date articles on the economy.

For audio-visual materials consult the latest Instructional Resources and National Film Board catalogues. A bibliography of American Economic Publications may be obtained by writing for Checklist. The address is:

Joint Council on Economic Education
432 Park Ave. South
New York; New York 10016 USA

The best booklet on the Stock Market is You and the Investment World (Revised), published by the New York Stock Market, There is a small cost for a class set.

New York Stock Exchange Inc.
School & College Relations
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The address for information on the High School Stock Market Game is:

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