

Lesson Plan

Course Title: Principles of Business, Marketing, and Finance

Session Title: Discovering Economic Systems

Performance Objective:

The student differentiates between the types of economic systems with emphasis on the private enterprise system and the United States economy.

Specific Objectives:

(3)(A) Compare and contrast the types of economic systems, including traditional, centrally planned, market, and mixed economies.

Preparation

TEKS Correlations:

This lesson, as published, correlates to the following TEKS. Any changes/alterations to the activities may result in the elimination of one or more of the TEKS listed.

Interdisciplinary Correlations:

English:

§110.42. English I (c) The student is expected to:

(8)(B) read in such varied sources as diaries, journals, textbooks, maps, newspapers, letters, speeches, memoranda, electronic texts, and other media;

(6)(A) expand vocabulary through wide reading, listening, and discussing; and,

(4)(F) compile written ideas and representations into reports, summaries, or other formats and draw conclusions.

Economics:

§118.2. Economics (c) The student is expected to:

(10)(A) explain the characteristics and give examples of traditional, command, and market economic systems; and

(10)(B) compare the U.S. free enterprise system with other economic systems.

Instructor/Trainer

References:

1. Brown, Betty J., Clow, John E., & Brown, Kenneth W. (1995). Introduction to Business. New York: Glencoe/Mac-Graw Hill.

Instructional Aids:

1. Optional – Overhead, SmartBoard, Internet, ELMO (if available and where applicable)

Materials Needed:

1. Textbook
2. Copies of Discovering Economic Systems Guided Practice and Formal Assessment for each student.

3. Labeled world map citing country and continent names.
4. Internet

Learner Preparation:

Learners will review vocabulary terms the night before and read textbook the night before.

Lesson Plan

Vocabulary (please see PowerPoint pages 1 – 11 and share with students prior to guided practice):

Traditional System

An economic system in which people do things the way they have always done them (according to habit, custom, or religious belief).

Mixed System

An economic system that is made up of parts of several other economic systems.

Brown, Betty J., Clow, John E., & Brown, Kenneth W. (1995). Introduction to Business. New York: Glencoe/Mac-Graw Hill.

Market System

A market economy is economy based on the division of labor which the prices of goods and services are determined in a free price system set by supply and demand.

Market economy. (2009, December 24). In *Wikipedia, The Free Encyclopedia*. Retrieved 02:23, December 28, 2009, from http://en.wikipedia.org/w/index.php?title=Market_economy&oldid=333717399

Planned Economy (also known as Centrally-Planned Economy or Command Economy)

An economic system in which the government controls and regulates production, distribution, prices, etc.

planned economy. (n.d.). *Dictionary.com Unabridged*. Retrieved December 27, 2009, from Dictionary.com website: http://dictionary.reference.com/browse/planned_economy

Introduction (LSI Quadrant I):

“No economy ever stands still.” This is a quote from Sir Roy Harrod, a British economist who studied the effects of macroeconomics. Macroeconomics is the study how several concepts interrelate on a national level. Integral concepts include products and services, prices, supply and demand, employment, and factors of production. A nation’s prosperity is impacted by how well it uses these factors to meet the needs of the citizens, sustain governmental entities, and fulfill the requests of international customers. Certainly, the economy can do anything but stand still.

The question is how will the economy operate? There are four economic systems; these economic systems are traditional, planned or command, market and mixed. We will discuss each economic system and discover which system is operational not only in our country, but globally.

Outline

Outline (LSI Quadrant II):

Instructors can use the PowerPoint presentation, slides, handouts, and note pages to support and reinforce the following outline.

MI	Outline	Notes to Instructor
   <p>(See key below.)</p>	<p>I. Application – Guided Practice</p> <p>A. Complete a worksheet that allows students to compare and contrast the four economic systems.</p> <p>II. Application – Independent Practice</p> <p>A. Complete Comparative Economics Systems in groups of three during class</p>	<p>I. Application – Guided Practice</p> <p>A. Distribute Discovering Economic Systems Guided Practice</p> <ol style="list-style-type: none"> 1. Distribute Microsoft Word, pages 1 2. See PowerPoint, page 12 3. Facilitate group discussion after students complete the worksheet using the answer key in Microsoft Word, page 2. <p>II. Application – Independent Practice</p> <p>A. Access Comparative Economics Systems at EconEd website</p> <ol style="list-style-type: none"> 1. Distribute Comparative Worksheet, Microsoft Word, pages 3 and 4 2. See PowerPoint, page 13 3. Review directions from website: http://www.econedlink.org/lessons/index.php?lesson=EM322 4. Ask the entire class questions found at the teacher's website (the teacher's website has the answer key) <p>http://www.econedlink.org/lessons/index.php?lesson=322&page=teacher</p>
  	<p>Summary</p> <p>I. Summary Review Questions</p>	<p>I. PowerPoint, page 15</p>
    	<p>Evaluation</p> <p>I. Students individually research a country's economic system</p>	<p>I. Microsoft Word, pages 5-6 (rubric included) and PowerPoint, page 14</p>

 	Extension/Enrichment I. Students review concepts summarized from various formal assessments	I. Allow students to develop and utilize a separate PowerPoint template (found in Microsoft 2007)
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Copy and paste Multiple Intelligences Graphic in appropriate place in left column.

								
Verbal Linguistic	Logical Mathematical	Visual Spatial	Musical Rhythmic	Bodily Kinesthetic	Intra-personal	Inter-personal	Naturalist	Existentialist

Application

Guided Practice (LSI Quadrant III):

Distribute Microsoft Word document entitled: *Discovering Economic Systems Guided Practice (the answers can be found on Discovering Economic Systems Guided Practice – Answer Sheet)*

Independent Practice (LSI Quadrant III):

Distribute activity: *Comparative Economics Systems* (<http://www.econedlink.org/lessons/index.php?lesson=EM322>)

Summary

Review (LSI Quadrants I and IV):

- **Question:** Name the four types of economic systems.
- **Answer:** Traditional, command (planned), market, and mixed economic systems.
- **Question:** What is the difference between traditional and planned economic systems?
- **Answer:** In a traditional economic system, people do things the way they have always done them. And, in a planned or command economic system, commands or directives of a central authority; a system in which the government decides what and how to produce and distribute.
- **Question:** What is the difference between market and mixed economies?
- **Answer:** In a market system the interaction between buyers and sellers determines what is bought and sold. A mixed economy combines parts of several other economic systems.
- **Question:** Most of the world's countries have mixed economies. Why is this?
- **Answer:** Varies. Answer may infer that a mixed economy attempts to combine the best aspects of both the public and private sectors.

- **Question:** Give an example of four countries' economic system, one country per economic type.
- **Answer:** Varies.

Evaluation

Informal Assessment (LSI Quadrant III):

Evaluate independent practice.

- Address issues raised in independent practice.

Formal Assessment (LSI Quadrant III, IV):

Distribute Microsoft Word document entitled: ***Discovering Economic Systems Formal Assessment*** and the accompanying rubrics to each student.

Extension/Enrichment (LSI Quadrant IV):

Allow students to create a game that reviews the content presented by the class. If needed, Microsoft PowerPoint 2007 provides a template.

Discovering Economic Systems

Guided Practice

Instructions:

Place an “X” in the box under Traditional, Planned, Market, and/or Mixed to match the description with the economic system.

	TRADITIONAL	PLANNED	MARKET	MIXED
An economic system heavily influenced by habits, customs, and religious beliefs.				
Government directly influences and vastly controls business practices due to ownership of natural and capital resources.				
Privately owned factors of production (i.e., factories and machines).				
Prices are influenced by supply and demand.				
An economic system that combines elements of all the other basic systems.				
Characterized by very low unemployment rate.				
Considered synonymous with a capitalistic economy.				
Individual freedom is limited (roles of individuals are static from generation to generation).				
Considered synonymous with either a communist or socialist economy, depending upon the degree of government control.				
Individual’s purchasing decisions determines the types of products and services offered.				
Minimal government involvement in business transactions				

Discovering Economic Systems

Guided Practice – Answer Sheet

Instructions:

Place an “X” in the box under Traditional, Planned, Market, and/or Mixed to match the description with the economic system.

	TRADITIONAL	PLANNED	MARKET	MIXED
An economic system heavily influenced by habits, customs, and religious beliefs.	X			
Government directly influences and vastly controls business practices due to ownership of natural and capital resources.		X		
Privately owned factors of production (i.e., factories and machines).			X	X
Prices are influenced by supply and demand.			X	X
An economic system that combines elements of all the other basic systems.				X
Characterized by very low unemployment rate.	X			
Considered synonymous with a capitalistic economy.			X	X
Individual freedom is limited (roles of individuals are static from generation to generation).	X			
Considered synonymous with either a communist or socialist economy, depending upon the degree of government control.		X		
Individual’s purchasing decisions determines the types of products and services offered.			X	X
Minimal government involvement in business transactions			X	

Discovering Economic Systems

Comparative Worksheet

Instructions:

Complete the worksheet by entering the requested information in the box under the country cited. Data for this worksheet can be obtained from

www.cia.gov/library/publications/the-world-factbook/index.html

COUNTRY	COUNTRY 1 United States	COUNTRY 2 North Korea	COUNTRY 3 Chad
ECONOMY TYPE	Market	Planned or Command	Developing <small>NOTE</small>
GDP (indicate most recent year)			
GDP per capita			
GDP – composition by sector			
Life expectancy at birth			
Literacy			
Fertility rates			
Employment			
Labor force			
Labor force – by occupation			
Unemployment rate			
Poverty rate			

Discovering Economic Systems

Comparative Worksheet (continued)

COUNTRY	COUNTRY 1 United States	COUNTRY 2 North Korea	COUNTRY 3 Chad
ECONOMY TYPE	Market	Planned or Command	Developing <small>NOTE</small>
Budget			
Public debt			
Inflation rate			
Industries (significant)			
Military spending (percentage of GDP)			
Natural resources (significant)			
Land use (arable land)			
Government type			
Other: _____			
Other: _____			
Other: _____			
Notes: _____			

NOTE: In this assignment, developing nations are not to be grouped in either of the following categories - - traditional or market economy. Researching the country will reveal economic and other issues that resulted in a “developing” status.

Discovering Economic Systems

Formal Assessment

Instructions:

Step 1. Choose a country that has not been researched as part of this lesson (either from the sample countries or selected on your own).

Step 2. Complete the Comparative Worksheet.

Step 3. Research the country's economic type.

Step 4. Create a poster that represents this country's economy using the same content requested in the Comparative Worksheet.

Be creative with the sources used for the poster by using:

- Objects from nature
- Hand-drawn objects
- Graphics from periodicals
- Other appropriate objects

Step 5. Prepare a 3- to 5-minute presentation that explains the items on your poster. Describe how these objects represent data documented on the Comparative Worksheet and/or associated with the economic type (the poster should reveal the type of economic system that the country utilizes).

Note: Review the rubrics before starting to ensure that all required poster elements are reflected in your submitted product.

Sample Countries

Australia	England	Philippines
Bhutan	India	Russia
Botswana	Iran	South Africa
Brazil	Ireland	Switzerland
Canada	Japan	Thailand
Chad	Mexico	Turkey
Chile	New Zealand	United States
China	Norway	Uruguay
Cuba	Papau New Guinea	Venezuela

Discovering Economic Systems

Poster Rubric: Discovering Economic Systems

Student Name: _____

CATEGORY	12.5 points	11.25 points	10 points	8.75 points
Required Elements	The poster includes all required elements as well as additional information.	All required elements are included on the poster.	All but 1 of the required elements are included on the poster.	Several required elements were missing.
Graphics -Clarity	Graphics are all in focus and the content easily viewed and identified from 6 ft. away.	Most graphics are in focus and the content easily viewed and identified from 6 ft. away.	Most graphics are in focus and the content is easily viewed and identified from 4 ft. away.	Many graphics are not clear or are too small.
Graphics - Originality	Several of the graphics used on the poster reflect a exceptional degree of student creativity in their creation and/or display.	One or two of the graphics used on the poster reflect student creativity in their creation and/or display.	The graphics are made by the student, but are based on the designs or ideas of others.	No graphics made by the student are included.
Graphics - Relevance	All graphics are related to the topic and make it easier to understand. All borrowed graphics have a source citation.	All graphics are related to the topic and most make it easier to understand. All borrowed graphics have a source citation.	All graphics relate to the topic. Most borrowed graphics have a source citation.	Graphics do not relate to the topic OR several borrowed graphics do not have a source citation.
Content - Accuracy	At least 7 accurate facts are displayed on the poster.	5-6 accurate facts are displayed on the poster.	3-4 accurate facts are displayed on the poster.	Less than 3 accurate facts are displayed on the poster.
Labels	All items of importance on the poster are clearly labeled with labels that can be read from at least 3 ft. away.	Almost all items of importance on the poster are clearly labeled with labels that can be read from at least 3 ft. away.	Several items of importance on the poster are clearly labeled with labels that can be read from at least 3 ft. away.	Labels are too small to view OR no important items were labeled.
Attractiveness	The poster is exceptionally attractive in terms of design, layout, and neatness.	The poster is attractive in terms of design, layout and neatness.	The poster is acceptably attractive though it may be a bit messy.	The poster is distractingly messy or very poorly designed. It is not attractive.
Knowledge Gained	Student can accurately answer all questions related to facts in the poster and processes used to create the poster.	Student can accurately answer most questions related to facts in the poster and processes used to create the poster.	Student can accurately answer about 75% of questions related to facts in the poster and processes used to create the poster.	Student appears to have insufficient knowledge about the facts or processes used in the poster.