

BIG IDEAS

Contemporary economic theory, practice, and terminology are grounded in centuries of economic theory.

Observing, interpreting, and judging past economic conditions from different perspectives and worldviews gave rise to competing theoretical approaches.

The implementation of economic theories has profound effects on social and political decision making and movements.

Economic systems have underlying and often opposing ethical standards and implications.

Learning Standards

Curricular Competencies	Content
<p><i>Students are expected to be able to do the following:</i></p> <ul style="list-style-type: none"> • Use Social Studies inquiry processes and skills to ask questions; gather, interpret, and analyze ideas; and communicate findings and decisions • Assess the significance of theoretical developments at particular times and places (significance) • Assess the justification for competing economic approaches and theories after investigating the adequacy of facts, interpretation, and evidence (evidence) • Compare and contrast continuities and changes within and between economic approaches and theories (continuity and change) • Assess how historical conditions influenced the development of economic approaches and theories (cause and consequence) • Assess how economic approaches and theories affected social and political change (cause and consequence) • Explain different perspectives on past and present social and economic systems by considering prevailing norms, values, worldviews, and beliefs (perspective) • Recognize implicit and explicit ethical judgments in the development and application of various economic approaches and theories (ethical judgment) • Make reasoned ethical judgments about the past and present application of economic approaches and theories in economic, social, and political policy and decision making (ethical judgment) 	<p><i>Students are expected to know the following:</i></p> <ul style="list-style-type: none"> • economic thought before Adam Smith • classical theories of value, growth, and distribution • classical economic thought on money, banking, and policy • Marxist economics • neoclassical economics and the role of markets • Keynesian theory of money, investment, and cycles • neoclassical synthesis • contemporary economic thought • behavioural economics

Content – Elaborations

economic thought before Adam Smith:*Sample topics:*

- science, ideology, and paradigms in the history of economic thought
- the economics of mercantilism and the importance of positive balance of trade
- the contributions of physiocracy and the importance of agricultural production

classical theories of value, growth, and distribution:*Sample topics:*

- classical theories of income distribution
- Smith and Ricardo on the theory of value
- free trade
- Malthus on growth and population
- John Stuart Mill and the dismal science
- subjectivist theories of value
- classical determinants of economic growth

classical economic thought on money, banking, and policy:*Sample topics:*

- classical monetary theory
- classical public finance
- Say's law, "gluts," and business cycles
- classical economic policy in theory and practice

Marxist economics:*Sample topics:*

- Marx and the labour theory of value
- Marxist theory of money
- Marx on distribution
- Marxist theory of capital accumulation and crises

neoclassical economics and the role of markets:*Sample topics:*

- primacy of markets in determining supply and demand of goods and services in an economy
- money and credit
- interest rates
- business cycles

Content – Elaborations**Keynesian theory of money, investment, and cycles:***Sample topics:*

- Keynes versus Say's law and classical economics
- Keynesian theory of investment
- Keynes on money and speculation
- Keynes on the business cycle

neoclassical synthesis:*Sample topics:*

- monetarism and the role of government in controlling the amount of money in circulation
- critiques of monetarism
- John Rawls and distribution theory

contemporary economic thought:*Sample topics:*

- rational expectations, business cycles, and markets
- financial instability
- recessions and financial crises

behavioural economics:*Sample topics:*

- role of heuristics and other cognitive biases in economic decision making
- inefficiency in markets due to irrational decision making