

FBLA MS: Exploring Economics

Competency A: Scarcity	MBA Research Performance Indicators	LAPs
Tasks		
1. Define economic scarcity.	EC:001 Describe the concepts of economics and economic activities (CS)	LAP-EC-901 Are You Satisfied? (Economics and Economic Activities)
2. Explain how scarcity impacts production, consumption, and exchange.	EC:001 Describe the concepts of economics and economic activities (CS)	LAP-EC-901 Are You Satisfied? (Economics and Economic Activities)
3. Explain why scarcity requires individuals, governments, and societies to make choices.	EC:001 Describe the concepts of economics and economic activities (CS)	LAP-EC-901 Are You Satisfied? (Economics and Economic Activities)
4. Explain how scarcity leads to economic policy and allocation.		
5. Explain how scarcity requires choices.	EC:001 Describe the concepts of economics and economic activities (CS)	LAP-EC-901 Are You Satisfied? (Economics and Economic Activities)
6. Evaluates the trade-offs for scarcity.	EC:001 Describe the concepts of economics and economic activities (CS)	LAP-EC-901 Are You Satisfied? (Economics and Economic Activities)
7. Explain how economic decisions involving scarcity need to consider opportunity cost.	EC:001 Describe the concepts of economics and economic activities (CS)	LAP-EC-901 Are You Satisfied? (Economics and Economic Activities)

Competency B: Supply and Demand	MBA Research Performance Indicators	LAPs
Tasks		
1. Explain the law of supply.	EC:005 Explain the principles of supply and demand (CS)	LAP-EC-011 It's the Law (Supply and Demand)
2. Explain the law of demand.	EC:005 Explain the principles of supply and demand (CS)	LAP-EC-011 It's the Law (Supply and Demand)
3. Define economic equilibrium.	EC:005 Explain the principles of supply and demand (CS)	LAP-EC-011 It's the Law (Supply and Demand)
4. Demonstrate an understanding of the supply and demand curves that shows increases and decreases in quantity supplied and quantity demanded.	EC:005 Explain the principles of supply and demand (CS)	LAP-EC-011 It's the Law (Supply and Demand)
5. Describe how consumer, government, environment, and technology factors impact consumer demand.	EC:005 Explain the principles of supply and demand (CS)	LAP-EC-011 It's the Law (Supply and Demand)
6. Explain the relationship between prices and consumer purchases.	EC:006 Describe the functions of prices in markets (CS)	LAP-EC-906 When More Is Less (Functions of Prices)
7. Define economic elasticity.	EC:005 Explain the principles of supply and demand (CS)	LAP-EC-011 It's the Law (Supply and Demand)
8. Explain how government enforced price ceilings and floors cause product shortages or surpluses.		

Competency C: Economic Systems	MBA Research Performance Indicators	LAPs
Tasks		
1. Define the basic elements of capitalism.	EC:007 Explain the types of economic systems (CS) EC:009 Explain the concept of private enterprise (CS)	LAP-EC-907 Who's the Boss? (Economic Systems) LAP-EC-015 People Power (The Private Enterprise System)
2. Explain how, in a free enterprise system, individuals attempt to maximize their profits based on their role in the economy.	EC:007 Explain the types of economic systems (CS) EC:009 Explain the concept of private enterprise (CS)	LAP-EC-907 Who's the Boss? (Economic Systems) LAP-EC-015 People Power (The Private Enterprise System)
3. Define the characteristics of a market system (e.g., profit, competitive markets, and private ownership of property).	EC:007 Explain the types of economic systems (CS) EC:009 Explain the concept of private enterprise (CS)	LAP-EC-907 Who's the Boss? (Economic Systems) LAP-EC-015 People Power (The Private Enterprise System)
4. Compare and contrast economic systems (e.g., traditional, market, command).	EC:007 Explain the types of economic systems (CS)	LAP-EC-907 Who's the Boss? (Economic Systems)
5. Analyze how economic systems, resources, and culture affect each other.	EC:007 Explain the types of economic systems (CS)	LAP-EC-907 Who's the Boss? (Economic Systems)
6. Explain how decisions are made in a command economy.	EC:007 Explain the types of economic systems (CS)	LAP-EC-907 Who's the Boss? (Economic Systems)
7. Explain how decisions are made in a traditional economy.	EC:007 Explain the types of economic systems (CS)	LAP-EC-907 Who's the Boss? (Economic Systems)
8. Explain the difference between capitalism, socialism, and communism.	EC:007 Explain the types of economic systems (CS)	LAP-EC-907 Who's the Boss? (Economic Systems)
9. Define a mixed economy.	EC:007 Explain the types of economic systems (CS)	LAP-EC-907 Who's the Boss? (Economic Systems)

Competency D: Gross Domestic Product	MBA Research Performance Indicators	LAPs
Tasks		
1. Define Gross Domestic Product (GDP).	EC:017 Explain the concept of Gross Domestic Product (GDP) (SP)	LAP-EC-917 Measure Up? (Gross Domestic Product)
2. Explain three ways to calculate GDP.	EC:017 Explain the concept of Gross Domestic Product (GDP) (SP)	LAP-EC-917 Measure Up? (Gross Domestic Product)
3. Explain why GDP is an important economic measurement.	EC:017 Explain the concept of Gross Domestic Product (GDP) (SP)	LAP-EC-917 Measure Up? (Gross Domestic Product)
4. Describe how the health of a country is impacted by GDP.	EC:017 Explain the concept of Gross Domestic Product (GDP) (SP)	LAP-EC-917 Measure Up? (Gross Domestic Product)
5. Explain the relationship between economic growth and GDP.	EC:017 Explain the concept of Gross Domestic Product (GDP) (SP)	LAP-EC-917 Measure Up? (Gross Domestic Product)
6. Explain how GDP is related to the health of a country's economy.	EC:017 Explain the concept of Gross Domestic Product (GDP) (SP)	LAP-EC-917 Measure Up? (Gross Domestic Product)
7. Explain the difference between nominal and real GDP.	EC:017 Explain the concept of Gross Domestic Product (GDP) (SP)	LAP-EC-917 Measure Up? (Gross Domestic Product)
8. Describe the impact that GDP has on the stock market.		
Competency E: International Trade	MBA Research Performance Indicators	LAPs
Tasks		
1. Analyze the impact of world trade and relate it to the U.S. free enterprise system.	EC:016 Explain the nature of global trade (SP)	LAP-EC-916 Beyond US (Global Trade)
2. Explain the basic characteristics of international trade, including absolute and comparative advantage, barriers to trade, exchange rates, and balance of trade.	EC:016 Explain the nature of global trade (SP) EC:100 Describe the determinants of exchange rates and their effects on the domestic economy (SP)	LAP-EC-916 Beyond US (Global Trade) LAP-EC-100 Get Your Money's Worth (Exchange Rates)

3. Analyze why trade barriers and why exchange rates affect the flow of goods and services among nations.	EC:016 Explain the nature of global trade (SP) EC:100 Describe the determinants of exchange rates and their effects on the domestic economy (SP)	LAP-EC-916 Beyond US (Global Trade) LAP-EC-100 Get Your Money's Worth (Exchange Rates)
4. Explain how currency exchange rates affect international trade.	EC:100 Describe the determinants of exchange rates and their effects on the domestic economy (SP)	LAP-EC-100 Get Your Money's Worth (Exchange Rates)
5. Discuss the advantages, disadvantages, and distribution effects of trade restrictions (e.g., tariffs, quotas, and embargoes).	EC:112 Explain the impact of major trade alliances on business activities (SP)	
6. Analyze the impact of international issues and concerns on personal, national, and international economics.		
7. Explain how specialization promotes international trade and how international trade increases total world output and interdependence among nations.		
8. Explain the role of credit in a market economy.	EC:016 Explain the nature of global trade (SP)	LAP-EC-916 Beyond US (Global Trade)
9. Compare the advantages and disadvantages of using various forms of credit and the determinants of credit history.	FI:002 Explain the purposes and importance of credit (CS)	LAP-FI-002 Give Credit Where Credit Is Due (Credit and Its Importance)

Competency F: Business Cycles	MBA Research Performance Indicators	LAPs
Tasks		
1. Define circular flow, interdependence, product market, and factors of production.	EC:003 Explain the concept of economic resources (CS) EC:007 Explain the types of economic systems (CS) EC:072 Describe the nature of taxes (SP)	LAP-EC-903 Be Resourceful (Economic Resources) LAP-EC-907 Who's the Boss? (Economic Systems) LAP-EC-072 Pay Your Share (Business Taxes)
2. List and define the six business cycles (expansion, peak, recession, depression, trough, recovery).	EC:018 Determine the impact of business cycles on business activities (SP)	LAP-EC-918 Boom or Bust (Impact of Business Cycles)
3. Describe the role of businesses and individuals in the circular flow.	EC:001 Describe the concepts of economics and economic activities (CS)	LAP-EC-901 Are You Satisfied? (Economics and Economic Activities)
4. Explain how change in one component of the circular flow of economic activity affects other components.	EC:001 Describe the concepts of economics and economic activities (CS)	LAP-EC-901 Are You Satisfied? (Economics and Economic Activities)
5. Describe the role of government in the circular flow (e.g., taxation, services, and national debt).	EC:008 Determine the relationship between government and business (CS)	LAP-EC-016 Regulate and Protect (Government and Business)
Competency G: Inflation	MBA Research Performance Indicators	LAPs
Tasks		
1. Define inflation.	EC:083 Describe the economic impact of inflation on business (SP)	LAP-EC-083 Up, Up, and Away (Inflation)
2. Define demand-pull inflation.	EC:083 Describe the economic impact of inflation on business (SP)	LAP-EC-083 Up, Up, and Away (Inflation)
3. Define cost-push inflation.	EC:083 Describe the economic impact of inflation on business (SP)	LAP-EC-083 Up, Up, and Away (Inflation)
4. Explain built-in inflation.	EC:083 Describe the economic impact of inflation on business (SP)	LAP-EC-083 Up, Up, and Away (Inflation)

5. Describe the role of the Consumer Price Index when measuring the rate of inflation.	EC:083 Describe the economic impact of inflation on business (SP)	LAP-EC-083 Up, Up, and Away (Inflation)
6. Define Consumer Price Index (CPI) and Wholesale Price Index (WPI).	EC:083 Describe the economic impact of inflation on business (SP)	LAP-EC-083 Up, Up, and Away (Inflation)
7. Explain how inflation can be viewed positively or negatively.	EC:083 Describe the economic impact of inflation on business (SP)	LAP-EC-083 Up, Up, and Away (Inflation)
8. Explain how inflation has a favorable impact on tangible assets like property or stock commodities.	EC:083 Describe the economic impact of inflation on business (SP)	LAP-EC-083 Up, Up, and Away (Inflation)
9. List the causes and effects of inflation.	EC:083 Describe the economic impact of inflation on business (SP)	LAP-EC-083 Up, Up, and Away (Inflation)
10. Define Product Price Index.	EC:083 Describe the economic impact of inflation on business (SP)	LAP-EC-083 Up, Up, and Away (Inflation)
11. Explain the pros and cons of inflation.	EC:083 Describe the economic impact of inflation on business (SP)	LAP-EC-083 Up, Up, and Away (Inflation)
12. Explain how monetary policy is used to control inflation.	EC:073 Discuss the nature of monetary policy (MN) EC:083 Describe the economic impact of inflation on business (SP)	LAP-EC-083 Up, Up, and Away (Inflation)
13. Explain the effects of inflation.	EC:083 Describe the economic impact of inflation on business (SP)	LAP-EC-083 Up, Up, and Away (Inflation)
14. Define hyperinflation.	EC:083 Describe the economic impact of inflation on business (SP)	LAP-EC-083 Up, Up, and Away (Inflation)
15. Explain hedging against inflation.		

Competency H: Opportunity Costs	MBA Research Performance Indicators	LAPs
Tasks		
1. Explain how economic decision making is impacted by opportunity cost and scarcity.	EC:001 Describe the concepts of economics and economic activities (CS)	LAP-EC-901 Are You Satisfied? (Economics and Economic Activities)
2. Define opportunity cost.	EC:001 Describe the concepts of economics and economic activities (CS)	LAP-EC-901 Are You Satisfied? (Economics and Economic Activities)
3. Define a pure service.	EC:002 Distinguish between economic goods and services (CS)	LAP-EC-902 Get the Goods on Goods and Services (Economic Goods and Services)
4. Define a convenience good.	EC:002 Distinguish between economic goods and services (CS)	LAP-EC-902 Get the Goods on Goods and Services (Economic Goods and Services)
5. Define a shopping good.	EC:002 Distinguish between economic goods and services (CS)	LAP-EC-902 Get the Goods on Goods and Services (Economic Goods and Services)
6. Define a specialty consumer good.	EC:002 Distinguish between economic goods and services (CS)	LAP-EC-902 Get the Goods on Goods and Services (Economic Goods and Services)
7. List examples of fast-moving consumer goods.	EC:002 Distinguish between economic goods and services (CS)	LAP-EC-902 Get the Goods on Goods and Services (Economic Goods and Services)

Competency I: Goods and Services	MBA Research Performance Indicators	LAPs
Tasks		
1. Define consumer goods.	EC:002 Distinguish between economic goods and services (CS)	LAP-EC-902 Get the Goods on Goods and Services (Economic Goods and Services)
2. Define a durable good.	EC:002 Distinguish between economic goods and services (CS)	LAP-EC-902 Get the Goods on Goods and Services (Economic Goods and Services)
3. Define a nondurable good.	EC:002 Distinguish between economic goods and services (CS)	LAP-EC-902 Get the Goods on Goods and Services (Economic Goods and Services)
4. Explain how the Federal Reserve System uses its control over the reserve ratio, open market operations, and the discount rate to control the money supply and the implementation of tight and easy money policy.	EC:097 Explain the role of the Federal Reserve System (MN)	
5. Determine how inflation, unemployment, and gross domestic product statistics are used in policy decisions.	EC:097 Explain the role of the Federal Reserve System (MN)	
6. Describe how fiscal, monetary, and regulatory policies affect overall levels of employment, output, and consumption.	EC:098 Describe the effects of fiscal and monetary policies (MN)	

Competency J: Needs vs. Wants	MBA Research Performance Indicators	LAPs
Tasks		
1. Explain the difference between a need and a want.	EC:002 Distinguish between economic goods and services (CS)	LAP-EC-902 Get the Goods on Goods and Services (Economic Goods and Services)
2. Explain the importance of needs and wants for a budget.	EC:002 Distinguish between economic goods and services (CS)	LAP-EC-902 Get the Goods on Goods and Services (Economic Goods and Services)
3. Explain the difference between fixed and flexible expenses.	FI:066 Develop personal budget (CS)	
4. List examples of needs and wants.	EC:002 Distinguish between economic goods and services (CS)	LAP-EC-902 Get the Goods on Goods and Services (Economic Goods and Services)
5. Explain the 50/30/20 budgeting rule.	FI:066 Develop personal budget (CS)	
6. Explain strategies to reduce amounts spent on wants.	FI:066 Develop personal budget (CS)	
7. Explain why needs are fixed and wants are discretionary.	EC:002 Distinguish between economic goods and services (CS) FI:066 Develop personal budget (CS)	LAP-EC-902 Get the Goods on Goods and Services (Economic Goods and Services)