# 12

Economic Standards 12.2.2. and 12.2.7.

**Teacher's Masters**

California Education and the Environment Initiative

# Sustaining Economies and the Earth's Resources

**California Education and the Environment Initiative**

Approved by the California State Board of Education, 2010

**The Education and the Environment Curriculum is a cooperative endeavor of the following entities:**

California Environmental Protection Agency
California Natural Resources Agency
Office of the Secretary of Education
California State Board of Education
California Department of Education
California Integrated Waste Management Board

**Key Leadership for the Education and Environment Initiative:**

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**Mark Leary,** Executive Director, California Integrated Waste Management Board
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**Key Partners:**

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None required for this lesson.

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None required for this lesson.

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None required for this lesson.

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| | | |
|---|---|---|
| Producer $100 | Producer $150 | Producer $250 |
| Producer $50 | Producer $150 | Producer $200 |
| Producer $50 | Producer $100 | Producer $200 |

| | | |
|---|---|---|
| **Producer $300** | **Producer $400** | **Producer $450** |
| **Producer $300** | **Producer $350** | **Producer $450** |
| **Producer $250** | **Producer $350** | **Producer $400** |

| | | |
|---|---|---|
| Consumer $50 | Consumer $100 | Consumer $200 |
| Producer $500 | Consumer $100 | Consumer $150 |
| Producer $500 | Consumer $50 | Consumer $150 |

| | | |
|---|---|---|
| Consumer $250 | Consumer $350 | Consumer $400 |
| Consumer $250 | Consumer $300 | Consumer $400 |
| Consumer $200 | Consumer $300 | Consumer $350 |

Consumer
$500

Consumer
$450

Consumer
$450

Consumer
$500

# Embargo

A law or policy prohibiting trade with another nation, or trade of a particular good.

# Moratorium

Suspension of an activity for a waiting period set by an authority.

# Quota

A limit set on the quantity of a good that can be harvested or extracted, or imported into a country.

# Subsidy

Government funds given to support an enterprise that is considered beneficial to the public.

# Tariff

A tax on imported goods imposed by the domestic government.

# Trade Agreement

An agreement on conditions of commerce in goods and services.

# Zoning

The designation of an area as separate, or for a particular use.

Name: _____

## Part 1

**Instructions:** Select the best answer and circle the correct letter. (2 points each)

1. When supply of a good decreases, what happens to the price of the good?
   - a. the price decreases
   - b. the price increases
   - c. the price stays the same
   - d. price equilibrium

2. Which of the following is least likely to affect demand for a good?
   - a. competition
   - b. price
   - c. regulation
   - d. scarcity

3. _____ is when supply equals demand for a good.
   - a. Price
   - b. Scarcity
   - c. Consumption
   - d. Equilibrium

4. Quantity of a good or service that producers are willing to sell to consumers at a given price is called _____.
   - a. demand
   - b. price
   - c. scarcity
   - d. supply

5. When there is a surplus of a good, what usually happens to the price for that good?
   - a. the price decreases
   - b. the price increases
   - c. the price stays the same
   - d. price equilibrium

6. Which of the following usually has the least influence on supply and demand?
   - a. scarcity
   - b. equilibrium
   - c. regulation
   - d. price

Name: _____

7. Bycatch is an example of _____.
- a. scarcity
- b. a byproduct of industry practices
- c. trawling
- d. increased demand for fish products

8. _____ increases when supply declines.
- a. Competition
- b. Price
- c. Bycatch
- d. a and b

9. _____ limit the amount of a good or resource that can be produced or consumed.
- a. Tariffs
- b. Quotas
- c. Subsidies
- d. Equilibriums

10. A law that suspends an activity for a certain period of time is called a _____.
- a. subsidy
- b. tariff
- c. moratorium
- d. quota

## Part 2

**Instructions:** Read the directions and complete the chart.

11. List three effects on ocean ecosystems resulting from an increase in production (supply) and consumption (demand) of fish products. Then, list three effects on the fishing industry that would result from the effects on the ocean ecosystem. (2 points each, 12 points total)

| Effects on the Ocean | Effects on the Fishing Industry |
|---|---|
| | |

Name: _____

## Part 3

**Instructions:** Answer each of the following questions using complete sentences or paragraphs.

12. What is the relationship between natural resources and our economies? (5 points)

13. Describe how the methods and rates of extraction, harvesting, and consumption of a resource can affect Earth's natural systems. (5 points)

14. Describe competition:
    a. What is competition? (2 points)

    b. How does competition for a resource affect supply and price? (4 points)

Name: _____

c. How does competition for a resource affect natural systems? (4 points)

15. Why do regulation measures exist in a market economy? Provide examples of two regulation measures used in the fishing industry. (10 points)

Name: _____

**Instructions:** Using what you have learned about market forces and the economy, investigate the forces at work on one other good or commodity. You may choose from the following list, or use other topics provided by your teacher:

- Agricultural products: corn, rice, soybeans, beef, poultry, dairy, timber, sod
- Energy sources (Fuel): solar energy, wind energy, wave energy, biodiesel/biofuels, oil, natural gas, coal, oil, plutonium
- Minerals: gold, silver, aluminum (bauxite), silica
- Other: water, land (real estate)

You may work in teams to conduct the research for this project. However, you are responsible for creating and submitting your own portfolio. Use the **Economic Portfolio Scoring tool** on the next page to guide your writing.

Your portfolio will need to include the following information:

- The **name** of the good or commodity you have chosen.
- Basic supply, demand, and price of this good or commodity. Think about the following questions:
  - Where does the supply of this good or commodity come from?
  - What type of supply is available of this good or commodity?
  - What type of demand is there for the good or commodity?
  - Have there been any recent changes in the supply, demand, or price of the good or commodity? Why or why not?
- A list of **byproducts** that result from the production (supply) and consumption (demand) of the good or commodity, and an explanation of how these byproducts affect natural systems.
- A description of how domestic and international **competition** influence the supply and demand of this good or commodity, and any "threats" to a continual supply of your good or commodity.
- A description of the **regulation** of this good or commodity, and how it influences supply and demand. Discuss any disputes over the regulation measures and explain why there have been any (or not).
- **References:** Include citations for all sources of information you used in preparing your portfolio.

Your portfolio may take one of the following forms:

- A PowerPoint-based presentation
- A brochure or booklet
- A typed (word processed) report
- Other: _____

Your portfolio is due on: _____

Name: _____

## Economic Portfolio Scoring Tool

| Component | 4 points | 3 points | 2 points | 1 point |
|---|---|---|---|---|
| **Content-Overall** | Covers topic in-depth with details and examples. Subject knowledge is excellent. | Includes essential knowledge about the topic. Subject knowledge appears to be good. | Includes essential information about the topic but there are 1–2 factual errors. | Content is minimal or there are several factual errors. |
| **Content-Accuracy** | All content throughout the portfolio is accurate. There are no factual errors. | Most of the content is accurate, but there is one piece of information that might be inaccurate. | The content is generally accurate, but one piece of information is clearly flawed or inaccurate. | Content is typically confusing or contains more than one factual error. |
| **Supply and Demand** | Portfolio addresses supply and demand of the good with detail and accuracy. | Portfolio addresses supply and demand of the good but not with full detail or accuracy. | Portfolio addresses supply and demand but not in detail or with several mistakes. | Portfolio mentions supply and demand but does not explain it. |
| **Byproducts** | Portfolio addresses byproducts related to the good with detail and accuracy. | Portfolio addresses byproducts related to the good but not with full detail or accuracy. | Portfolio addresses byproducts related to the good but not in detail or with several mistakes. | Portfolio mentions byproducts but does not give or explain examples, or their effects. |
| **Regulation** | Portfolio addresses regulations related to the good with detail and accuracy. | Portfolio addresses regulations related to the good but not with full detail or accuracy. | Portfolio addresses regulations related to the good but not in detail or with several mistakes. | Portfolio mentions regulations but does not describe them or their effects. |
| **Competition** | Portfolio addresses domestic or international competition of the good with detail and accuracy. | Portfolio addresses domestic or international competition of the good but not with full detail or accuracy. | Portfolio addresses domestic or international competition of the good but not in detail or with several mistakes. | Portfolio mentions domestic and/or international competition but does not describe it or its effects. |
| **Requirements** | All requirements are met or exceeded. | All requirements are met. | One requirement was not completely met. | More than one requirement was not completely met. |

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