

TABLE OF CONTENTS

UNIT 1 – THE BASICS OF ECONOMICS

IMPORTANT WORDS TO KNOW	1
-------------------------------	---

CHAPTER 1 WHAT IS ECONOMICS

DO YOU LIKE TO SHOP?	2
GOODS ARE GOOD!	3
YUM . . . CEREAL	4
WORK AND CAPITAL	5
JESSE'S BAKERY	6

CHAPTER 2 HOW THE ECONOMY GROWS

WHO GETS THE GOODS?	7
I WANT A BIGGER TV!	8
GETTING A BETTER LIFE	9
SAUSAGE AND HOT DOGS	10
A HAPPY STORY	11

CHAPTER 3 KINDS OF ECONOMIES

THE U.S. AND OTHERS	12
THE U.S.	13
CHINA.	14
MEXICO	15
ABORIGINAL AUSTRALIANS	16

CHAPTER 4 TRADE

DO YOU WANT MONEY OR THINGS?	17
ANIMAL SKINS!	18
MONEY!	19
WATER OR DOLLAR BILLS?	20
TRADE	21

CHAPTER 5 WORKERS

HI-HO, HI-HO, IT'S OFF TO WORK I GO	22
MAY THE FORCE BE WITH YOU!	23
CHANGES	24
FAIR LABOR	25
WORKING FOR ABC COMPANY	26

CHAPTER 6 LABOR UNIONS

WORKERS GET TOGETHER	27
LONG AGO	28
WHAT UNIONS DO	29
HOW?	30
FRINGE BENEFITS	31

UNIT 2 – ECONOMICS IN OUR LIFE

IMPORTANT WORDS TO KNOW	32
--------------------------------------	-----------

CHAPTER 7 CONSUMERS

THE CONSUMER IS YOU	33
SUPPLY AND DEMAND	34
MOTORCYCLES	35
MIKE'S BIKE SHOP	36
BRENDA'S SHOP	37

CHAPTER 8 BUSINESS AND PROFITS

BUSINESS	38
BUSINESSES	39
THE GOAL	40
JOSE MAKES MONEY	41
CHARITY	42

CHAPTER 9 MARKETS, PRICES, AND COMPETITION

MARKETS AND PRICES	43
NOT ENOUGH	44
WHAT HAPPENS IF ...?	45
A PROBLEM.	46
PIZZA	47

CHAPTER 10 DISTRIBUTION OF INCOME

WE MAKE MONEY	48
GNP AND GDP	49
WHAT DO WE MAKE?	50
WHAT DO WE GROW?	51
WHAT DO PEOPLE DO?	52

CHAPTER 11 LAWS

LAWS	53
AN IMPORTANT LAW	54
THE ZONE	55
LABOR LAWS	56
THE SCAM	57

CHAPTER 12 TAXES AND SERVICES

UTILITIES.	58
TAKE THE BUS!	59
YOU PAY TAXES!	60
YOU HELP OTHER PEOPLE	61
WATCH OUT!	62

UNIT 3 – THE WORLD ECONOMY

IMPORTANT WORDS TO KNOW	63
--------------------------------------	----

CHAPTER 13 WORLD TRADE

WE ARE THE WORLD.....	64
DO YOU LIKE CHOCOLATE?.....	65
A GOOD IDEA	66
GETTING A BETTER LIFE	67
FREE TRADE.....	68

CHAPTER 14 TRADING WITH OTHER COUNTRIES

DOLLARS OR PESOS?.....	69
THE EURO.....	70
LEO AND THE BIKES	71
NORA AND THE HATS	72
A LOT OF HATS	73

CHAPTER 15 DEBT

DEBT	74
JESSE'S LOAN	75
OUCH! NATIONAL DEBT!.....	76
DEBT, DEBT, DEBT.....	77
KEEPING RECORDS.....	78

UNIT 4 – PEOPLE IN ECONOMICS

IMPORTANT WORDS TO KNOW	79
--------------------------------------	----

CHAPTER 16 ECONOMISTS

ECONOMISTS	80
ADAM SMITH.....	81
KARL MARX.....	82
JOHN GALBRAITH	83
CAREERS IN ECONOMICS	84

CHAPTER 17 LABOR THEN AND NOW

LABOR LEADERS	85
SAMUEL GOMPERS	86
CESAR CHAVEZ	87
LABOR PROBLEMS TODAY	88
LABOR DAY	89

CHAPTER 18 THE ECONOMY AND YOU

WHY IS IT IMPORTANT TO KNOW ECONOMICS?	90
ANNA'S SHIRTS ARE IMPORTANT	91
YOU ARE LIKE A COMPANY	92
A YARD SALE	93
DO IT!	94

IMPORTANT WORDS AND MEANINGS	95
---	-----------

YUM . . . CEREAL

Cereal is delicious! Do you think about how it gets to you? This is an important lesson in economics.

This is how oatmeal gets to you:

1. First, farmers grow oats. The land is a natural resource; it is part of nature.
2. Next, farmers take the oats to a mill. Workers use machines to clean and hull it. Machines roll it and put it in packages. The boxes of oatmeal are loaded onto trucks and sent to stores.
3. You see an ad on TV for oatmeal. You go to the store and buy it.
4. You take it home. When you are hungry, you can cook and eat the oatmeal!



A natural resource is what people can use which comes from the nature.
Ex: air, water, wood, oil, wind energy, iron, and coal.

The Game: Check the natural resources.

- | | | | |
|--------------------------------------|-----------------------------------|---------------------------------------|--|
| 1. <input type="checkbox"/> sand | 5. <input type="checkbox"/> air | 9. <input type="checkbox"/> cars | 13. <input type="checkbox"/> advertising |
| 2. <input type="checkbox"/> sunlight | 6. <input type="checkbox"/> trees | 10. <input type="checkbox"/> oil | 14. <input type="checkbox"/> ice cream |
| 3. <input type="checkbox"/> taxes | 7. <input type="checkbox"/> fish | 11. <input type="checkbox"/> shipping | 15. <input type="checkbox"/> paper |
| 4. <input type="checkbox"/> water | 8. <input type="checkbox"/> tools | 12. <input type="checkbox"/> rocks | 16. <input type="checkbox"/> machines |



Write three natural resources.

WORK AND CAPITAL

Work is an important part of economics.

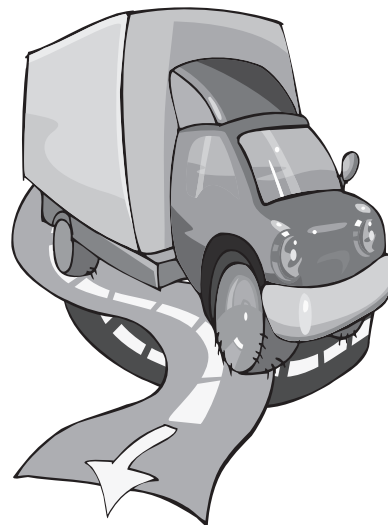
Many people work to get the oatmeal to you:

- farmers
- mill workers
- truck drivers
- office people
- store clerks

They are all part of a team called the labor force. Labor means work.

Capital is the money and the things you need to make products to sell. The farmer's tractor is capital. The machines at the mill are capital. The truck that is used to ship the oatmeal is capital.

It takes money to pay the workers and buy the boxes to package the oatmeal. The money is capital. Guess what the product is. Oatmeal!



The Game: Write L for LABOR or C for CAPITAL.

1. the woman who runs the machine _____
2. the machine that cleans the oats _____
3. the man who loads the truck _____
4. money paid to the mill workers _____
5. the store building _____



What is another word for labor?

THE U.S. AND OTHERS

Not everyone thinks the same way about economics.

Here are three kinds of economies and examples of a country for each economy:

1. Free Enterprise System/Capitalism – People own land and businesses, and can make their own money: U.S.
2. Command Economy/Communism – The government owns the land and businesses and says how much people get paid: China.
3. Mixed – The government owns many businesses, but people own businesses too: Mexico.



The Game: Put F for Free Enterprise System. Put C for Command.

1. I own my car repair shop. _____
2. I work in a car repair shop that the government owns. _____
3. The government owns my home. _____
4. The government owns the stores where I shop. _____
5. Many people own all kinds of stores. _____



What is the economic system of the U.S.?

THE U.S.

In the U.S., we can own land. We can own our homes. We can own our businesses. We can work and make money. We can buy many things. We have a free enterprise system.

The government has some laws, but we have a lot of freedom. We can vote and change laws.

There are two main political parties: the Democrats and the Republicans. One party does not rule all the time.

The most important thing about the U.S. is that each person has many choices.



The Game: Check the words that are about the U.S.

1. ☐ free enterprise system
2. ☐ one party making laws all the time
3. ☐ people can own land
4. ☐ people have choices
5. ☐ command/communism
6. ☐ people can own businesses and make money
7. ☐ the government controls all the money
8. ☐ freedom
9. ☐ Democrats and Republicans
10. ☐ the government owns all the farms



In the U.S., what can we own?

DO YOU LIKE CHOCOLATE?

We get lots of things from other countries.
The U.S. imports oil from the Middle East.
The U.S. imports diamonds from Africa.



Foods can come from all over the world.
Do you like chocolate? _____ Cocoa comes
from Africa and South America.

In the U.S., we export things that we make in factories to other countries.
We make a lot of manufactured goods such as aircraft, machines, paper,
and steel. We specialize in making things in factories. An economy using
specialization is able to make more of the goods and services that people want.

The Game: Fill in the blanks with the words below.

trading exports countries imports aircraft

1. When the U.S. sends goods to other countries, the U.S. _____
the goods.
2. When the U.S. gets goods from other countries, the U.S. _____
the goods.
3. Trading between _____ is international trade.
4. Buying and selling is called _____.
5. The U.S. exports machines and _____.



From what part of the world do we get diamonds?
