

**Project #6 :: The Good Ol’ Days**

Business Economics

Spring 2014

**Project #6 :: The Good Ol’ Days**

**Driving question:**

Just how good were the “Good Ol’ Days”?

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**Project description:**

*The Good Ol’ Days* project helps students to develop an understanding of economic policies and measures through a study of present economic indicators and past economic events. Each student will individually measure the health of today’s U.S. economy, and each team will research economic events that took place during a different assigned time period in the past 100 years. Each team will study what caused these events; how government, businesses, and the American family responded to these events; the overall health of the U.S. economy during the timeframe; and how good (or bad) life was during the time period as a result of economic events. After conducting extensive research, each team will prepare a presentation/skit that explains what they have learned. The team presentations will be video recorded, and the video will be shared with eighth grade social studies students.

**Timeframe:** 4 weeks

**Objectives:**

* Describe the economic impact of inflation on business
* Discuss the measure of consumer spending as an economic indicator
* Explain the concept of Gross Domestic Product (GDP)
* Discuss the impact of a nation’s unemployment rates
* Explain the economic impact of interest-rate fluctuations
* Determine the impact of business cycles on business activities
* Discuss the nature of monetary policy
* Explain the concept of fiscal policies
* Analyze the effects of government expenditures and tax policies on business

**Individual Economic Indicators Chart**

To develop individual understanding of different economic indicators, each student conducts research and completes the economic indicators chart handout.

**Economic Indicator Chart** **Name**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| LatestEconomic Measures | Definition of Term | Rate/Amount | **Up/Down** Trend | Reasons forTrend |
| Inflation rate |  |  |  |  |
| Consumer spending |  |  |  |  |
| Gross Domestic Product |  |  |  |  |
| Unemployment rate |  |  |  |  |
| Interest rate |  |  |  |  |

**Economic Indicator Chart** **Name**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |
| --- | --- |
| LatestEconomic Measures | Sources of Information |
| Inflation rate |  |
| Consumer spending |  |
| Gross Domestic Product |  |
| Unemployment rate |  |
| Interest rate |  |

**Team Economic Timeline**

Each team is assigned a different time period within the past 100 years. After being assigned its time period (which may be 10-25 years, depending on the number of teams), each team should access <http://www.tiki-toki.com/> or <http://www.timetoast.com/> to develop a web-based timeline of economic events that occurred during its assigned time period. The timeline would such events such as “Market crashes,” “Inflation skyrockets,” etc., along with the appropriate dates.

**Team Presentation**

Using the driving and supporting questions (see below) as guideposts, each team conducts extensive research of its assigned time period to develop an understanding of the health of the U.S. economy during that timeframe, significant economic events that occurred, and the impact on the American family. Studying economic indicators and policies during the assigned time period would help students to understand the health of the economy. As a result of this research, each team develops a five-to-seven minute presentation/skit that answers the driving and supporting questions in simple terms. After each team prepares and practices its presentation sufficiently, the presentations are video recorded in chronological order from earliest to most recent time period. The class then edits the video as necessary and arranges to have it seen by eighth grade social studies students.

**Supporting questions:**

* How healthy was the U.S. economy during your assigned time period?
* What economic events took place during your assigned time period?
* What was their impact on the American family?
* How did the government cause and/or respond to the economic event(s) in your assigned time period?
* How did these government actions affect the American family?
* How did businesses respond?
* How did businesses’ responses affect the American family?
* What did the American family look like in your assigned time period?

**Individual Reflection**

After the class watches the video that it created, each student will compose a 1-page individual written reflection piece that requires him/her to consider the purpose of studying economic indicators, policies, and events of the past. Each student should answer the following questions:

* What’s the benefit of looking at economic indicators and policies over time?
* Why should we learn how government and businesses cause and/or respond to economic events?
* Why should we learn how the American family can be affected by economics?

**Calendar of Important Dates**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **April 2014** | | | | | | |  |
| **Sun** | **Mon** | **Tue** | **Wed** | **Thu** | **Fri** | **Sat** | **Notes:** |
| 30  **Week 13** | 31 | 1 | 2 | 3 | 4 | 5 | Mar 31: Begin **Project #6 :: The Good Ol’ Days** |
| Apr 4: **QUIZ 6A** |
| 6  **Week 14** | 7 | 8 | 9 | 10 | 11 | 12 | Apr 9: Individual Economic Indicator Chart due |
| Apr 11: **QUIZ 6B** |
| 13  **Week 15** | 14 | 15 | 16 | 17 | 18 | 19 |  |
| Apr 17-18: Good Friday—**NO SCHOOL** |
| 20  **Week 16** | 21 | 22 | 23 | 24 | 25 | 26 | Apr 20-21: Easter Sunday—**NO SCHOOL** |
| Apr 23: **QUIZ 6C** |
| 27 **Week 17** | 28 | 29 | 30 | 1 | 2 | 3 | Apr 24: Economic Timeline due |
| Apr 28-29: Team Presentations |
|  |  |  |  |  |  |  | Apr 30: **QUIZ 6D** / Individual Reflection due |
|  |

**Sample Team Contract**

## Members

Carlie, Otis, Neff, Rennie, Joe, Vince

# Team Constitution

Forward: This contract is a binding legal document and governs the group until the assigned project deadline. If the group separates, or a member is fired, the basic contract laws remain intact for both parties. However, being fired may cause work responsibilities to shift.

Article I: Absence Policy

a. If a group member will be absent on a day in which work is due, they must tell another group member a day in advance and have all work that they are responsible for turned in. All group members must stick to the provided agenda to have the assignments completed on time. If there will be an unexpected absence, the group member is to complete the work from home and email another group member to let them know they are gone for the day.

b. Group members will contact one another if they are absent for any amount of period during the time allotted for working on the projects.

Article II: Work Policy

a. Any member that is mentally or physically disabled and can prove that they cannot complete the work assigned to them alone may acquire assistance from other group members to help complete it. This will only apply for work that is group work and not individual work, and work will only be finished by that group member, and the assisting group member will not write it.

b. Each group member will work to the best of their ability, making sure the completed work is up to standards, and that they complete it with punctuality.

c. If a group member commits plagiarism, they are solely responsible and incur the punishment on their own.

Article III: Leadership

a. At the beginning of the project, a leader will be voted upon democratically. If a group member is absent at the time of voting, they waive their right to participate in voting. The person who wins the most votes becomes the leader. If there is an unclear outcome (same number of votes for different people), the group will have no leader until one can be chosen by a revote.

1. By being elected leader, the person must perform the following duties:
2. Organize group meetings.
3. Create and enforce a group agenda to govern group progress.
4. Organize any out-of-school project efforts.
5. Provide communication between group members in order to help individuals work towards the project goal.

If they fail to perform these duties, or another person is also carrying them out, a revote may be taken to determine whether to obtain a new leader.

Article IV: Work Ethics

a. If a group member does not complete work they were assigned, the punishment for the infringement will be of detriment solely to the group member at fault. No negative grading shall be given to any other group members.

Article V: Member Dismissal

a. The following conducts will result in a group member being able to be dismissed:

1. Incomplete or missing group work
2. Plagiarism or any form of cheating
3. If group member decides to leave under his or her own will

b. Any group member leaving under their own will may submit all their own work, while the other group members may not. Any group member fired for breaking any of the conducts under Article V-a (i-iii) will have their work taken from their possession to be used at the discretion of the original group, but not for the individual being fired. In addition, any fired member may not use any work completed by other group members, subject to punishment under Article 2-c.

c. If a group member leaves under the stipulation of Article V-a (iv), they retain all the work they have already provided for the group. The original group cannot use this work or it is subject to punishment under Article 2-c.

Article VI: Signature

By signing this contract, the following group members abide to the articles above. If any member fails to abide by the articles of this contract, they may be fired from the group given at least a 50% vote in favor of firing the individual.

## Signatures:

Source: Novel Approach Consulting Group, www.novelapproachpbl.com

## Team Project Plan

This document serves two purposes in every project:

1. Project planning guide
2. Project status report

Instructions:

* Each team works together to determine
  + Project objective
  + Tasks to be completed for a successful fulfillment of the project objective
  + Resources needed to complete each task (if any)
  + Person(s) responsible for completing each task
  + Due date for each task
* The first four columns of the table below (task, responsible, resources, and due date) serve as the guiding document through the end of the project.
* At the end of each week, use one copy to fill in the last three columns of the table. This serves as a weekly status report for your teacher.

## Team Project Plan

|  |  |
| --- | --- |
| **Members of my team:** |  |
| **Project Name:** |  |
| **Project Objective:** |  |

| **Task** | **Who Is Responsible** | **Resources Needed** | **Due Date** | **Status** | **Completed & Date turned in** |
| --- | --- | --- | --- | --- | --- |
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**Team Signatures:**

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**20—Objective:**

Describe the economic impact of inflation on business

1. Define the following terms:

Inflation

Inflation rate

Deflation

Consumer Price Index

Standard of living

Targeted inflation rate

Price stability

1. Describe causes of inflation.
2. Explain how inflation impacts the economy.
3. Describe the relationship between price stability and inflation.
4. Explain problems associated with deflation.
5. Discuss reasons why the inflation rate should be above zero.
6. Explain how businesses can use the Consumer Price Index.
7. Discuss the purpose of the Consumer Price Index (CPI).
8. Describe how the Consumer Price Index is determined.
9. Identify the major kinds of consumer spending that make up the Consumer Price Index.
10. Explain how the Consumer Price Index is used to find the rate of inflation.
11. Describe limitations on the use of the Consumer Price Index.

**21—Objective:**

Discuss the measure of consumer spending as an economic indicator

1. Define the term:

Consumer Confidence Index (CCI)

1. Describe how consumer spending reacts to shifts in the well-being of the economy.
2. Explain how the Consumer Confidence Index functions.
3. Describe how businesses use and react to changes in the Consumer Confidence Index.
4. Discuss government’s options when the Consumer Confidence Index indicates a decreasing trend (e.g., issuing a tax rebate or taking other action to stimulate the economy).

**22—Objective:**

Explain the concept of Gross Domestic Product (GDP)

1. Define the following terms:

Gross domestic product (GDP)

Personal consumption expenditures

Gross private domestic investment

Government purchases of goods and services

Net exports of goods and services

Trade deficit

Trade surplus

Uncounted production

Underground economy

Double counting

1. Identify the categories of goods and services that make up GDP.
2. Describe problems encountered in calculating GDP.
3. Explain the importance of a country's GDP.
4. Describe ways to increase GDP.
5. Describe how the government responds to changes in GDP.
6. Describe ways that businesses respond to changes in GDP.

**23—Objective**

Discuss the impact of a nation’s unemployment rates

1. Define the following terms:

Unemployment rate

Frictional unemployment

Structural unemployment

Cyclical unemployment

Seasonal unemployment

Technological unemployment

Full employment

1. Discuss individual costs of unemployment.
2. Describe economic benefits of unemployment.
3. Explain theories of the causes of unemployment.
4. Explain why the unemployment rate understates employment conditions.
5. Describe the costs of unemployment for a nation.

**24—Objective**

Explain the economic impact of interest-rate fluctuations

1. Define the following terms:

interest rate

nominal interest rate

real interest rat

interest-rate fluctuation

default risk

liquidity risk

maturity risk

1. Discuss causes of interest-rate fluctuations.
2. Explain the impact of interest rate fluctuations on an economy.
3. Describe the relationship between interest rates and the demand for money.
4. Describe the relationship between inflation and interest rates.
5. Discuss factors that create differences in the amount of interest charged on credit transactions (e.g., levels and kinds of risk, borrowers’ and lenders’ rights, and tax considerations).
6. Describe kinds of risk associated with variances in interest rates (i.e., default, liquidity, and maturity).
7. Explain how fiscal policies can affect interest rates.

**25—Objective**

Determine the impact of business cycles on business activities

1. Define the following terms:

Business cycles

Expansion

Peak

Contraction

Trough

1. Identify the phases of a business cycle.
2. Describe the expansion phase of a business cycle.
3. Describe the peak phase of a business cycle.
4. Describe the contraction phase of a business cycle.
5. Describe the trough phase of a business cycle.
6. Explain how knowledge of business cycles benefits businesspeople.
7. Describe internal causes of business cycles.
8. Explain external causes of business cycles.

**26—Objective**

Discuss the nature of monetary policy

1. Define the following terms:

Monetary policy

Maximum sustainable output and employment

Stable prices, reserves

Loose monetary policy

Tight monetary policy

1. Identify examples of economic and financial decisions that are affected by monetary policy.
2. Explain the role of the Federal Reserve System in setting monetary policy.
3. Discuss the overall goals of U.S. monetary policy (i.e., to promote maximum sustainable output and employment and to promote stable prices).
4. Explain ways that the Federal Reserve System influences the availability of money and credit.
5. Discuss ways that the Federal Reserve System affects reserves.
6. Distinguish between the effects of a loose monetary policy and a tight monetary policy.
7. Describe ways that the Federal Reserve System adjusts the money supply.

**27—Objective**

Explain the concept of fiscal policies

1. Define the following terms:

fiscal policy

aggregate demand

neutral fiscal policies

expansionary fiscal policies

restrictive fiscal policies

1. Describe ways government can affect aggregate demand.
2. Explain the relationship between fiscal policy and unemployment.
3. Describe how fiscal policy affects inflation.
4. Discuss ways that government can use fiscal policy to promote economic growth.

**28—Objective**

Analyze the effects of government expenditures and tax policies on business

1. Define the following terms:

Public capital

Infrastructure

Capital spending

Tax abatements

1. Describe how changes in government expenditures affect production.
2. Illustrate the impact of government expenditures on the circular flow of income model.
3. Describe how tax policies can affect individuals and businesses.
4. Discuss the effects of tax cuts.
5. Describe ways that the government can encourage businesses to increase their capital spending.
6. Explain how governments use tax abatements to stimulate new business development/growth.
7. Discuss how government benefits from using tax abatements.