

Competencies and Performance Standards

Competency 1 Explain scarcity as it relates to economic systems

Criteria – Criteria—Performance will be satisfactory when:

- Learner explains why economics is important
- Learner describes the function of economic systems
- Learner demonstrates the use of economic models
- Learner explains the relationship between scarcity, economic value and price
- Learner reflects correct use of economic terminology
- Learner explains the meaning and significance of economic growth
- Learner discusses the essential economic questions that all societies must answer—what, how, and for whom
- Learner presents real-world examples that illustrate differences and similarities of economic systems

Conditions—Conditions—Competence will be demonstrated:

- In a classroom setting

Linked State Standards:

- **D.12.3** Analyze and evaluate the role of Wisconsin and the United States in the world economy
- **D.12.5** Explain how federal budgetary policy and the federal reserve systems' monetary policies influence overall levels of employment, interest rates, production, and prices
- **D.12.6** Use economic concepts to analyze historical and contemporary questions about economic development in the United States and the world
- **D.12.7** Compare, contrast, and evaluate different types of economies (traditional, command, market, and mixed) and analyze how they have been affected in the past by specific social and political systems and important historical events
- **D.12.12** Compare and contrast how values and beliefs, such as economic freedom, economic efficiency, equity, full employment, price stability, security, and growth, influence decisions in different economic systems

Learning Objectives:

- a. Define economics
- b. Explain the need for economic systems
- c. Describe how scarcity is associated with the study of economics

- d. Describe basic choices that must be made because of scarcity: what, how, and for whom
- e. Illustrate examples of opportunity cost decisions

Performance Assessment Activities:

- ✓ Learner completes quiz on the learning objectives

Competency 2 Manage a checkbook

Criteria – Criteria—Performance will be satisfactory when:

- Learner describes the process involved in opening a checking account
- Learner writes checks that include date, payee, amount, memo, and signature
- Learner accurately completes a checking account deposit slip
- Learner creates a check register that include deposit dates and amounts, check information including date, payee, amount, memo
- Learner calculates balances accurately
- Learner balances the check register with the monthly bank statement to 0 balance
- Learner enters debit card transactions into check register
- Learner enters automatic bill payment into check register
- Learner enters on-line bill payment

Conditions—Conditions—Competence will be demonstrated:

- In a classroom setting
- Using simulated checkbook materials
- Using a calculator

Linked State Standards:

- **D.12.1** Explain how decisions about spending and production made by households, businesses, and governments determine the nation’s levels of income, employment, and prices
- **D.12.4** Explain and evaluate the effects of new technology, global economic interdependence, and competition on the development of national policies and on the lives of individuals and families in the United States and the world
- **D.12.9** Explain the operations of common financial instruments and financial institutions
- **D.12.11** Explain how interest rates are determined by market forces that influence the amount of borrowing and saving done by investors, consumers, and government officials
- **D.12.14** Analyze the economic roles of institutions, such as corporations and businesses, banks, labor unions, and the federal reserve system

Learning Objectives:

- a. Describe the purpose of a checking account
- b. Define deposit and withdrawal
- c. List the component on a check
- d. Define payee and payer
- e. Define check forgery
- f. Explain the purpose of a check register
- g. Differentiate between deposit and withdrawal
- h. Explain the steps used to balance the check register with a bank statement
- i. List the information found on a bank statement
- j. Define overdraft
- k. Explain the consequences to the checkbook owner when the account is overdrawn.
- l. Describe the steps used in completing a deposit slip
- m. Define debit card
- n. Differentiate between automatic deduction and on-line bill paying
- o. Explain the advantages of using on-line or automatic deduction for paying bills
- p. Explain why it is critical to include debit card, automatic or on-line transaction in the check register
- q. Describe how to access current account balance

Performance Assessment Activities:

- ✓ Accurately completing check writing, register entering, and register balancing project
- ✓ Quiz on checkbook basics

Competency 3 Develop a savings plan

Criteria – Criteria—Performance will be satisfactory when:

- Plan contains savings goals
- Plan contains varying needs at different stages of life
- Plan contains proposed savings deposits per month
- Plan contains projected balance after 25 years
- Plan contains specific investment strategy
- Plan contains investments in savings, stocks, bonds, mutual funds, 401K, IRA
- Plan contains investments in land, property, gems or art
- Plan contains estimates of employer-funded retirement accounts
- Plan contains estimates of social security benefits

Conditions—Conditions—Competence will be demonstrated:

- In a classroom setting
- Using a calculator
- Plan must be typewritten

Linked State Standards:

- **D.12.1** Explain how decisions about spending and production made by households, businesses, and governments determine the nation's levels of income, employment, and prices
- **D.12.2** Use basic economic concepts to compare and contrast local, regional, and national economies across time and at the present time
- **D.12.4** Explain and evaluate the effects of new technology, global economic interdependence, and competition on the development of national policies and on the lives of individuals and families in the United States and the world
- **D.12.9** Explain the operations of common financial instruments and financial institutions
- **D.12.11** Explain how interest rates are determined by market forces that influence the amount of borrowing and saving done by investors, consumers, and government officials

Learning Objectives:

- a. Differentiate among passbook savings, CD accounts, Treasury Bill accounts, and Savings Bonds
- b. Describe the time and interest rate relationship for CD and Treasury Bill accounts
- c. Explain why it is important to save when you are younger
- d. Define simple and compound interest
- e. Define deflation and inflation
- f. Define capital investment
- g. Differentiate among stocks, bonds, mutual funds and annuities
- h. Identify the advantages of investing in stocks, bonds, mutual funds or annuities
- i. List the benefits of investing in tax free bonds
- j. Define Individual Retirement Account, Roth IRA, and 401K
- k. Explain how employer retirement funds influence individual savings
- l. Describe the components of Social Security
- m. List the ages for receiving retirement funds

Performance Assessment Activities:

- ✓ Student will develop a 25 year savings plan based on Performance Checklist
- ✓ Student will take written exam on learning objectives

Competency 4 Explain how to manage credit cards

Criteria – Criteria—Performance will be satisfactory when:

- Learner describes the credit card application process
- Learner differentiates between realistic credit limits and limits assigned by the credit company
- Learner calculates total cost of credit purchases using minimum payment
- Learner lists the fees charged by credit company
- Learner calculates the impact of various interest rates
- Learner explains the impact of credit card consolidation
- Learner explains the impact of promotional temporary credit card programs

Conditions—Conditions—Competence will be demonstrated:

- In a classroom setting
- Using a calculator

Linked State Standards:

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- **D.12.4** Explain and evaluate the effects of new technology, global economic interdependence, and competition on the development of national policies and on the lives of individuals and families in the United States and the world
- **D.12.9** Explain the operations of common financial instruments and financial institutions
- **D.12.11** Explain how interest rates are determined by market forces that influence the amount of borrowing and saving done by investors, consumers, and government officials

Learning Objectives:

- a. List the advantages and disadvantages of credit cards
- b. Define credit limits and APR
- c. List the usual annual fees
- d. List the usual interest rates
- e. Describe the requirements necessary for credit card approval
- f. Distinguish between paying off the balance versus making the minimum payment
- g. Calculate the length of time of payment using the minimum payment option
- h. Calculate the total cost of an item using the minimum payment option
- i. Define "Check and Go"

- j. Explain the advantages and disadvantages of “Check and Go”

Performance Assessment Activities:

- ✓ Students will take exam based on criteria and learning objectives

Competency 5 Describe rights and responsibilities of renting

Criteria – Criteria—Performance will be satisfactory when:

- Learner describes the components of a lease agreement
- Learner differentiates costs included in a lease and additional costs
- Learner describes security deposit provisions
- Learner generates a plan to select an apartment
- Plan contains monthly rent rates for three apartments
- Plan contains included costs for three apartments
- Plan contains security deposit information for three apartments
- Plan contains sub lease provisions for three apartments
- Plan contains term of the lease for three apartments
- Plan contains selection of apartment with supporting rationale

Conditions—Conditions—Competence will be demonstrated:

- In a classroom setting
- Using telephone yellow pages and newspaper ads about apartments
- Plan is typewritten

Linked State Standards:

- **D.12.1** Explain how decisions about spending and production made by households, businesses, and governments determine the nation’s levels of income, employment, and prices
- **D.12.4** Explain and evaluate the effects of new technology, global economic interdependence, and competition on the development of national policies and on the lives of individuals and families in the United States and the world
- **D.12.11** Explain how interest rates are determined by market forces that influence the amount of borrowing and saving done by investors, consumers, and government officials

Learning Objectives:

- a. Define lease, co-sign, security deposit, sub-let
- b. List lease contract components
- c. Explain the differences between included costs and additional costs
- d. Name two examples of included costs and additional costs
- e. List four criteria for selecting an apartment
- f. Summarize responsibilities of a responsible renter
- g. Describe responsibilities involved in subletting an apartment

Performance Assessment Activities:

- ✓ Learner will complete the Rent an Apartment project according to the provided checklist
- ✓ Learner will complete quiz on learning objectives

Competency 6 Identify issues regarding purchase of a house and car

Criteria – Criteria—Performance will be satisfactory when:

- Learner analyzes the advantages of home ownership over renting
- Learner critiques tax implications for home purchase
- Learner verifies with bank value of home they can afford
- Learner organizes a schedule for steps in home purchase
- Learner evaluates properties available according to what they can afford
- Learner selects properties for viewing
- Learner assesses properties in determining which best fits their needs
- Learner writes a property offer
- Offer is completed using state approved forms
- Learner summarizes steps to close on a home
- Learner analyzes the advantages car ownership versus leasing
- Learner critiques tax implications for car purchase
- Learner identifies cars he/she can afford
- Learner analyzes the advantages of new and used vehicles
- Learner organizes a schedule for steps in car purchase
- Learner describes standard warranty arrangements
- Learner describes the importance of a test drive/vehicle inspection
- Learner interprets techniques used by sales people
- Learner describes the implications of 0% financing and rebates

Conditions—Conditions—Competence will be demonstrated:

- In a classroom setting
- Using appropriate dealer forms
- Working in teams

Linked State Standards:

- **D.12.1** Explain how decisions about spending and production made by households, businesses, and governments determine the nation's levels of income, employment, and prices
- **D.12.2** Use basic economic concepts to compare and contrast local, regional, and national economies across time and at the present time
- **D.12.4** Explain and evaluate the effects of new technology, global economic interdependence, and competition on the development of national policies and on the lives of individuals and families in the United States and the world

- **D.12.9** Explain the operations of common financial instruments and financial institutions
- **D.12.10** Analyze the ways in which supply and demand, competition, prices, incentives, and profits influence what is produced and distributed in a competitive market system
- **D.12.11** Explain how interest rates are determined by market forces that influence the amount of borrowing and saving done by investors, consumers, and government officials

Learning Objectives:

- a. Define buyers' market and sellers' market
- b. List four advantages of owning a home as compared to renting
- c. Describe how home ownership can impact taxes
- d. Define property value
- e. Evaluate property values in relation to what can be afforded
- f. List the steps in purchasing a home
- g. Identify criteria for selecting homes to view
- h. Compose a list of components included in a purchase offer
- i. Describe the steps in closing a house
- j. Define escrow
- k. Define car ownership and car leases
- l. Evaluate the advantages of buying new or used cars
- m. Describe selling techniques used by sales personnel
- n. Define financing options and rebates

Performance Assessment Activities:

- ✓ Learner will present their plan for purchasing a car and a home in a group setting according to the Performance Checklist
- ✓ Learner will take written exam on learning objectives

Competency 7 Identify risk and insurance needs

Criteria – Criteria—Performance will be satisfactory when:

- Learner evaluates risk factors
- Learner selects appropriate insurance option based on risk factors
- Learner differentiates among whole life, universal life, term life and annuities
- Learner distinguishes among disability, long term care, and workman's compensation
- Learner investigates insurance options for life
- Learner investigates insurance options for health
- Learner investigates insurance options for home
- Learner investigates insurance options for automobile
- Learner investigates insurance options for rent

Conditions—Conditions—Competence will be demonstrated:

- In a classroom setting
- Working in teams

Linked State Standards:

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- **D.12.10** Analyze the ways in which supply and demand, competition, prices, incentives, and profits influence what is produced and distributed in a competitive market system

Learning Objectives:

- a. Explain the need for insurance
- b. Compare whole life, universal life, term life and annuity options
- c. Interpret options for health coverage
- d. Define co-pay, deductibles, and premiums
- e. Contrast among workman's compensation, disability insurance and long term care
- f. Define uninsured motorist and underinsured motorist
- g. Define collision, comprehensive, liability provisions for auto insurance
- h. Describe uses for an umbrella policy
- i. List components included in a home-owners insurance policy
- j. Contrast replacement value and actual value

Performance Assessment Activities:

- ✓ Learner develops a family insurance plan based on the Performance Checklist
- ✓ Learner complete quiz on insurance learning objectives

Competency 8 Complete federal and state income tax forms

Criteria – Criteria—Performance will be satisfactory when:

- Learner describes the necessity of taxation at various government levels
- Learner critiques advantages of progressive and regressive taxes
- Learner completes proper tax forms, to include federal EZ, federal schedule A, and W-4, according to Performance Checklist

- Learner interprets information on federal W-2 forms
- Learner completes Wisconsin income tax forms
- Learner determines when to use itemized or standard deductions
- Learner justifies qualifications for federal tax credits
- Learner discusses dependency requirements

Conditions—Conditions—Competence will be demonstrated:

- In a classroom setting
- Using Federal and Wisconsin income tax forms
- Using a calculator

Linked State Standards:

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- **D.12.5** Explain how federal budgetary policy and the Federal Reserve systems' monetary policies influence overall levels of employment, interest rates, production and prices

Learning Objectives:

- Discuss the necessity of taxation
- Define graduated income tax
- List the components included on the W-2
- Define standard deduction and itemization
- Define adjusted gross income, taxable income, tax liability, tax credits and deductions
- List four types of tax credits
- Describe the itemized categories
- State the standardized deduction figure
- Complete practice problems involving federal 1040 and state tax forms

Performance Assessment Activities:

- ✓ Learner completes tax forms without teacher assistance
- ✓ Learner completes quiz according to learning objectives

Competency 9 Complete sample budget

Criteria – Criteria—Performance will be satisfactory when:

- Budget contains accurate calculations
- Budget is legible
- Budget includes monthly expenses and income
- Budget categories reflect real life household expenses
- Budget includes savings category
- Learner separates income figures from expense figures

Conditions—Conditions—Competence will be demonstrated:

- In a classroom setting

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Learning Objectives:

- a. Define budget, expenses and income
- b. Identify sources of income
- c. Describe household expense categories
- d. List the steps involved in creating a budget
- e. Describe the importance of using a household budget
- f. Classify expenses and monthly, quarterly, and annual
- g. Define opportunity costs
- h. Explain how priorities are used in determining spending
- i. Describe how investing in savings impacts a household budget

Performance Assessment Activities:

- Sample budget project
- Quiz on budgeting concepts