

Name _____

I. How will you spend your money?

(Choose one. Put your initials in the blank next to your choice.)

_____ I will pay taxes on my earnings and use the remainder to purchase a certificate, which I will redeem for the highest Group grade I can.

_____ I will donate my earnings tax-free to a fund for disadvantaged students, to help them buy higher-value certificates.

My test grade will count for both my individual grade and group grade.

_____ I will use my earnings to buy war-bonds tax free, to support the war effort.

My test grade will count for both my individual grade and group grade.

II. Now we see the violence inherent in the system

Complete each sentence with the most correct economic system. Four out of 6 is a win.

1. I live in a small village where all citizens pitch in and decide what we need and who gets it.

Such is life in a _____ economy.

2. I live in an economy largely run by the government, in which people get little say in what we

make or who gets it. But such is life in a _____ economy.

3. I live in a democratic country where some things are provided through government, but

other things we have to obtain in the market. Such is life in a _____ economy.

4. I live in an economy where the consumers decide what is produced and the producers

decide how it is produced. Such is life in a _____ economy.

5. Every day, I go to work in a sweatshop. I am paid a pittance to make clothes that are sold in

the West. Such is life in a _____ economy.

6. The government paid for my school and healthcare, but I need to find a job so I can afford

to rent an apartment. Such is life in a _____ economy.

III. Regulators, mount up!

Choose the appropriate regulator from the following list. Six of nine is a win.

U.S. Department of Labor: Wage & Hour Division
Internal Revenue Service
National Highway Traffic Safety Administration
Equal Employment Opportunity Commission
Consumer Financial Protection Bureau
Consumer Product Safety Commission
VA State Corporation Commission
OSHA (U.S. Dept. of Labor Occupational Safety and Health Administration)

Virginia Workers Compensation Commission
Federal Trade Commission
Federal Communications Commission
Environmental Protection Agency
Centers for Medicaid and Medicare Services
Food and Drug Administration
Federal Election Commission

1. I help people who got injured at work. I work for the:

2. I inspect products to make sure they're safe. I work for the:

3. I inspect cars for safety issues. I work for the:

4. I help with complaints about financial products. I work for the:

5. I work with people who got sick from something they ate. I work for the:

6. I find out if omeones running a scam business. I work for the:

7. I help people with insurance problems. I work for the:

8. I make sure that corporations aren't harming the environment. I work for the:

9. I make sure employers are paying taxes for their employees. I work for the:

IV. Let's make a deal!

Select which deal is better, and explain why it is better. Two out of four wins.

1. What is better when buying a house? Why?

A. A downpayment of 15,000 and a variable interest rate starting at 7%,

or

B. A downpayment of 17,000 and a fixed interest rate of 10%.

2. What's a better deal on a car? Why?

A. A \$60,000 car loan with \$10,000 down payment and 5% interest

or

B. A \$60,000 car loan with \$0 down payment and 7% interest.

3. Which is a better deal? Why?

A. A credit card with \$100 annual fee and an APR of 30%

or

A credit card with no annual fee and an APR of 35%.

4. Assume you have significant health care needs. Which is better? Why?

A. An insurance plan with low deductibles and high premiums.

or

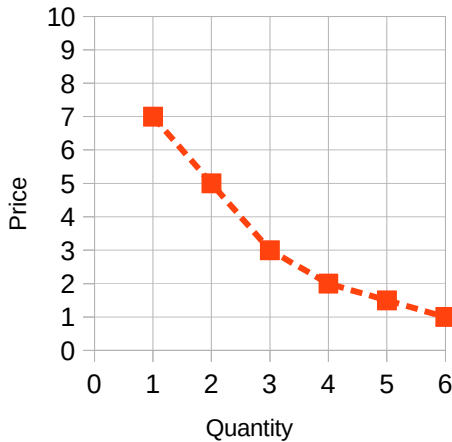
B. An insurance plan with high deductibles and low premiums.

*****If you only want a C or D on this test, stop here. The rest of this work only counts for an A or a B. There is no guarantee you will get any specific grade, so be sure your work on the previous sections is solid.*****

V. Shake your market maker

You want to open a shop that sells hand-made milkshakes, but you need to understand the market in your area. Answer five out of eight correctly and you'll succeed.

Your shop is pretty small -- it's really just you -- so you can make a milkshake for \$2, not including profits. You paid a market research company to ask consumers about their buying habits. The firm found market demand for milkshakes looks like this:

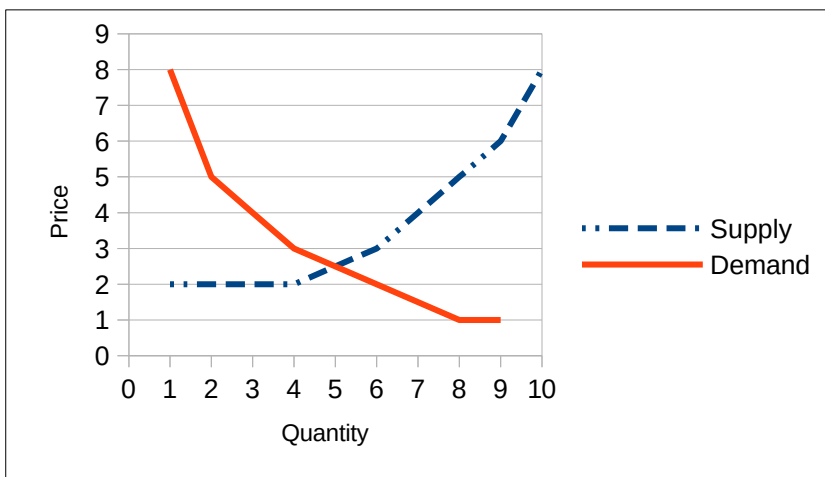


1. What's the most a consumer will pay for a milkshake?

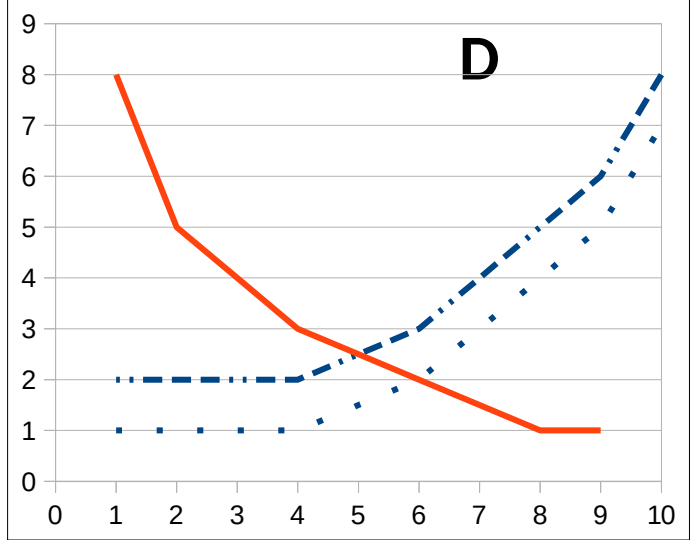
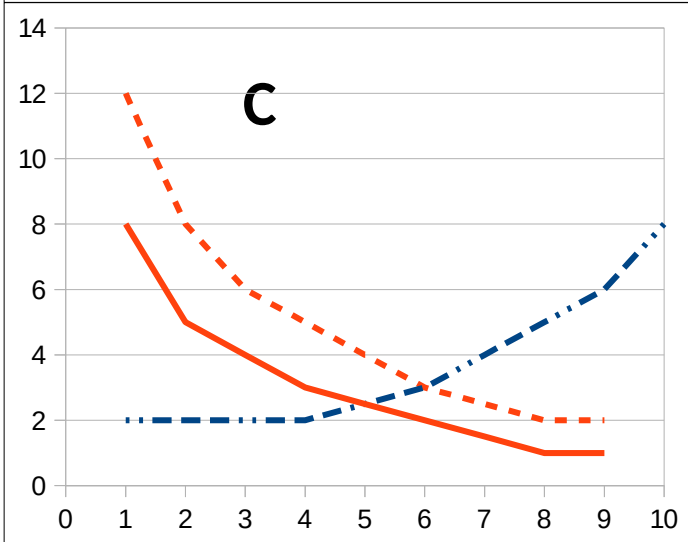
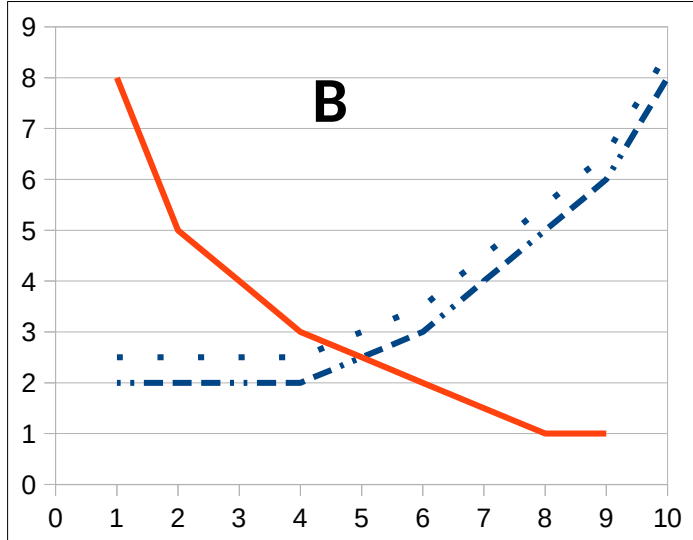
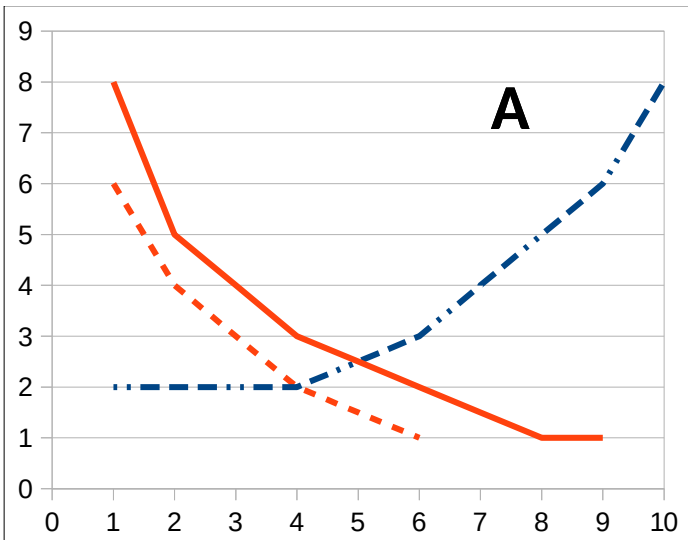
2. If you sell at \$3 a milkshake, what is the equilibrium quantity?

3. What price should you set your milkshakes for maximum profit? This is a little bit of arithmetic, so please show your work.

After your business runs for a while, your milkshakes get more popular and you are able to add more workers and more machines. The supply and demand curves in the market look like this:



4. What is the new equilibrium price and quantity?



5. An nationwide recall of milk products increases the costs of your ingredients. Which graph best depicts the change in the market? _____

6. You begin using a cheaper, vegan milk substitute to make your product. Which graph best depicts the change in the market? _____

7. A new shop selling healthier fruit smoothies opens up nearby. What is the new equilibrium price for your milkshakes? _____

8. Which represents the best future for your shop, and why?

	Cluster	Skills
Cognitive:	<i>Cognitive Processes & Strategies</i>	<ul style="list-style-type: none"> • Critical thinking • Problem solving • Analysis • Reasoning/argumentation • Interpretation • Decision making • Executive function
	<i>Knowledge</i>	<ul style="list-style-type: none"> • Information literacy (using evidence and recognizing bias in sources) • Information technology literacy • Oral and written communication • Active listening
	<i>Creativity</i>	<ul style="list-style-type: none"> • Creativity • Innovation
Intrapersonal:	<i>Intellectual Openness</i>	<ul style="list-style-type: none"> • Flexibility • Adaptability • Personal and social responsibility (including cultural competence) • continuous learning • Intellectual interest and curiosity
	<i>Work Ethic & Conscientiousness</i>	<ul style="list-style-type: none"> • Initiative • Self-direction • Responsibility • Grit • Professionalism/ ethics • Integrity • Citizenship
	<i>Positive core self-evaluation</i>	<ul style="list-style-type: none"> • Self-regulation • Physical and psychological health
Interpersonal:	<i>Teamwork & Collaboration</i>	<ul style="list-style-type: none"> • Communication • Collaboration • Teamwork • Cooperation • Coordination • Empathy/perspective taking • Trust • Conflict resolution • Negotiation
	<i>Leadership</i>	<ul style="list-style-type: none"> • Leadership • Responsibility • Assertive communication • Self-presentation • Social influence with others

National Academies of Sciences, Engineering, and Medicine. 2012. Education for Life and Work: Developing Transferable Knowledge and Skills in the 21st Century. Washington, DC: The National Academies Press. <https://doi.org/10.17226/13398>.

VI. Worldwide Skillz

You have a list of skills on the previous page. Choose three that you do not have and that you believe are important in a globalized economy. Tell me what skills you chose, why each one is important in the globalized economy, and what you think you can do to develop these skills.

VII. Economic Systems again

Classrooms are often run like command economies. In this unit, we simulated a (sort of) market economy by forming corporations and paying those corporations according to a (sort of) market logic. Describe your experience in economic terms, and tell me which system you think results in more productivity? Which resulted in better outcomes for you? For your group? For the class?

