

# AOF Business Economics

## Course Scope and Sequence

*July 2016*

Business Economics provides students with an introduction to the key concepts of economics as it pertains to business—supply, demand, profit, costs, and markets—and differentiates microeconomics from macroeconomics. It discusses the American economy and the factors that influence the success of businesses and products. The course discusses the relationship of labor and business, then provides a broad overview of the global economy.

Students apply what they have learned in the course to the culminating project, forming consulting teams and vying for a long-term contract as management consultants to a major avocado grower and distributor. By applying basic concepts of business economics, groups learn to analyze relevant financial information in order to recommend strategies for increasing the company's profitability. Teams present their strategic recommendations via a poster or PowerPoint presentation to their clients.

Finally, students get a chance to examine careers that require business economics knowledge.

This course is expected to take a total of 71 50-minute class periods.

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### Unit 1: Getting Started

#### Lesson 1: Course Introduction

Estimated # of Class Periods: 2

##### Learning Objectives

- Infer the skills and knowledge about business economics needed to be successful in an authentic project
- Identify general business economics terms with which to build a taxonomy

#### Lesson 2: Introduction to Business Economics

Estimated # of Class Periods: 3

##### Learning Objectives

- Define key terms in the field of business economics
- Display understanding of the use of graphical tools as representations of macroeconomic and microeconomic principles
- Identify the differences and similarities between macroeconomics and microeconomics
- Describe why business economics is an important field of study

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### Unit 2: Basic Economic Principles

#### Lesson 3: Scarcity

Estimated # of Class Periods: 4

##### Learning Objectives

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- Display understanding of why scarcity of resources is the basic economic problem
- Display understanding that the existence of scarcity forces economic actors to make choices
- Demonstrate the ability to assess the costs and benefits of alternatives when making decisions, taking into account opportunity costs and trade-offs
- Create graphs showing production possibilities and associated trade-offs

### Lesson 4: Utility, Diminishing Returns, and Comparative Advantage

Estimated # of Class Periods: 4

#### Learning Objectives

- Identify examples of different forms of utility and explain how this concept drives consumption and production decisions within an environment of diminishing marginal returns
- Demonstrate the ability to apply information drawn from measuring diminishing marginal returns and increasing opportunity costs to a business example

### Lesson 5: Factors of Production

Estimated # of Class Periods: 3

#### Learning Objectives

- Define the factors of production and describe how they interrelate
- Explain what happens when the factors of production are brought together through entrepreneurship
- Explain how the factors of production go into making a selected product

### Lesson 6: Supply and Demand

Estimated # of Class Periods: 6

#### Learning Objectives

- Display understanding of Adam Smith's insights into market behavior
- Create and explain a demand table and a demand curve
- Create and explain a supply table and a supply curve
- Explain how the laws of supply and demand affect business

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## Unit 3: Entrepreneurship and Competition

### Lesson 7: Entrepreneurship in a Free-Market Economy

Estimated # of Class Periods: 4

#### Learning Objectives

- Describe the role of the entrepreneur and how entrepreneurs start businesses
- Explain how successful entrepreneurial ventures have impacted society

- Assess the risks and rewards associated with pursuing an entrepreneurial venture

## Lesson 8: Equilibrium and Pricing

Estimated # of Class Periods: 5

Learning Objectives

- Explain the importance of price in a free-market economy
- Evaluate ways in which businesses respond to market information conveyed in prices
- Demonstrate the ability to analyze the impact of cost of production on price
- Compare and contrast demand-driven and supply-driven causes of price change

## Lesson 9: Competition and the Marketplace

Estimated # of Class Periods: 8

Learning Objectives

- Display understanding of different types of markets
- Explain how businesses respond to different market conditions in order to better compete
- Compare and contrast the impact of differing market structures on the success of a product or a service

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# Unit 4: Economic Systems

## Lesson 10: Economic Systems

Estimated # of Class Periods: 4

Learning Objectives

- Characterize differing economic systems in a diverse range of countries
- Describe the advantages and disadvantages of a particular approach to classifying economic systems
- Describe key characteristics of command, free-market, and mixed-market economies
- Compare and contrast the strengths and weaknesses of the three main economic systems

## Lesson 11: The American Economy

Estimated # of Class Periods: 6

Learning Objectives

- Describe the key characteristics of the US economy
- Develop a point of view about the degree of efficiency, effectiveness, and equity currently prevailing in the US economy
- Describe the US government's role in the economy and develop a point of view about its impact on business

## Lesson 12: Currency Systems

Estimated # of Class Periods: 5

Learning Objectives

- Describe the concept of money from various perspectives
- Explain the concepts of exchange rates and purchasing power
- Explain how fluctuating exchange rates impact businesses and individuals

## Lesson 13: International Trade

Estimated # of Class Periods: 7

Learning Objectives

- Display understanding of how comparative advantage influences the structure of global trade
- Compare and contrast the advantages and disadvantages of protectionist policies on businesses and national economies
- Develop a business strategy based on an understanding of concepts of international trade

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# Unit 5: Career Development in Business Economics

## Lesson 14: Learning from Industry Experts

Estimated # of Class Periods: 5

Learning Objectives

- Summarize the main concepts and principles of economics
- Display understanding of the importance of economics in almost any career
- Develop an effective letter of inquiry

## Lesson 15: Project Presentation and Course Closure

Estimated # of Class Periods: 5

Learning Objectives

- Demonstrate the ability to give a professional presentation
- Evaluate personal experience and performance in the course
- Monitor personal success in learning about business economics
- Summarize key learning across the whole subject of business economics