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| **TEXAS CTE LESSON FORMAT**[www.txcte.org](http://www.txcte.org) |
| **Lesson Identification and TEKS Addressed** |
| **Career Cluster** | Marketing |
| **Course Name** | Entrepreneurship |
| **Lesson/Unit Title** | Scarcity and Private Enterprise |
| **TEKS Student Expectations** | **130.384. (c) Knowledge and Skills**(9) The student knows the effects of credit on price and profit. The student is expected to:(A) communicate the differences among pricing structures for goods, services, and ideas(B) develop a pricing structure for an entrepreneurial venture |
| **Basic Direct Teach Lesson**(Includes Special Education Modifications/Accommodations and one English Language Proficiency Standards (ELPS) Strategy) |
| **Instructional Objectives** | Specific Objectives: • Students will identify the basic economic problem. • Students will describe how America’ private enterprise economy works. |
| **Rationale** | After completing this lesson, students will explain important economic concepts for the private enterprise system. |
| **Duration of Lesson** | Teacher’s Discretion |
| **Word Wall/Key Vocabulary***(ELPS c1a, c, f; c2b; c3a, b, d; c4c; c5b) PDAS II (5)* | Important Terms for this Lesson: • scarcity-unlimited wants and needs, combined with limited resources • controlled economy-government answers the three economic questions, owns, and controls important resources and makes decisions about what will be produced/consumed • free economy-market economy where resources are owned by individuals rather than the government • mixed economy-some goods and services are provided by the government and some by private enterprise • private enterprise-based on independent decisions by businesses and consumers • profit motive-use of resources to obtain the greatest profit • value-individual view of the worth of a product or service • demand-relationship between the quantity of a product consumers are willing and able to purchase and the price • supply-relationship between the quantity of a product that producers are willing and able to provide and the price |
| **Materials/Specialized Equipment Needed** | Instructional Aids: * Independent Practice Activities Student Directions
* Independent Practice Activity #1
* Comparing Economic Systems Rubric
* Independent Practice Activity #3
* Conducting Business in China Rubric
* Extension Activities Student Directions
* Extension Activity #1
* Conducting International Business Rubric
* Extension Activity #2
* The Success of “Steve and Barry’s” Rubric Internet

Materials Needed: 1. Construction paper 2. Scissors and glue 3. Poster Board 4. Current newspapers and magazines Equipment Needed: 1. Computers for students to complete projects 2. Projector 3. White or chalk board |
| **Anticipatory Set**(May include pre-assessment for prior knowledge) | Learner Preparation: 1. Ask students to write their definition of “scarcity.” Then ask what their plan of action is when something they want is scarce. 2. Ask students how they would determine the price for a popular electronic device that they have created which is highly demanded by college and high school students. Ask students to explain what will happen if they price the product too high and what will happen if they price the product too low. This will open a good discussion about supply, demand, prices, scarcity, and competition. |
| **Direct Instruction \*** | Introduction: 1. Survey students to determine how many have a paying job. Then ask how many of the students have enough money to meet all their wants. Scarcity is a fact of life for individuals and countries. 2. Write “supply” and “demand” on the board. Then write different products on the board and ask students what happens to price when supply fluctuates, and demand remains constant. Examples of products that are good for discussion include gas, houses, cars, and food.I. Economics: Scarcity and Private Enterprise A. Important to understand economics B. Basic Economic Problem (scarcity) – unlimited wants and needs, combined with limited resourcesII. Who Makes the Decisions? A. Controlled economy-government B. Free (market) economy-individuals C. Mixed economy-government and private enterpriseIII. America’s Private Enterprise Economy A. Based on independent decisions by businesses and consumers with only a limited government role regulating those relationships B. Profit motive-the use of resources to obtain the greatest profit C. Value-individual view of the worth of a product or service D. Government stays out of exchange activities between producers and consumers E. Consumers 1. demand-relationship between the quantity of a product consumers are willing and able to purchase and the price 2. consumers gather information about products and services to select those that satisfy their needs F. Producers 1. supply-relationship between the quantity of a product that producers are willing and able to provide and the price 2. gather information about the types of products and services consumers want so they can provide what will most likely be purchased G. Government-enacts laws and regulations to help consumersIV. Economic Forces Can Impact the Market Economy A. Rising gas prices’ B. Public Services-police, fire department, roads, education*Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to*NONE |
| **Guided Practice \*** | 1. Give each student an equal number of play coins, buttons, etc. Then have an auction of healthy food items in class to emphasize the concept of supply and demand. This also is a good time to discuss “scarcity.” 2. Survey the class to determine how many students have paying jobs. Then ask students what is taken from their gross pay. Explain that social security and Medicaid is for personal use; however, income taxes are used for public projects such as roads, law enforcement, fire department, etc. Then ask students if they would be willing to pay a flat fee every year for those public services instead of having the money taken from each of their pay checks. 3. Ask students to list products/services that they regularly purchase and list the price that they are willing to pay for each item. Then ask students if prices have increased significantly during the past year and to explain the increase/decrease in prices.*Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*NONE |
| **Independent Practice/Laboratory Experience/Differentiated Activities \*** | 1. Using Independent Practice Activity #1 “Making a Poster: Comparing Economic Systems” ask students to design a poster that illustrates how the free market, mixed, and controlled economies answer the three economic questions: What goods and services will be produced? How will they be produced: For whom will they be produced? 2. Ask students to list examples of inventions that have reaped large sums of money due to consumer demand. Also ask students to explain how the profit motive is involved when inventing/producing products. 3. Using Independent Practice Activity #3, tell students that they work for a clothing manufacturer that would like to conduct business in China. Students must explore marketing opportunities in China and possible barriers that their company will face. Students must also research the form of economy in China and how it will affect business. Students will present their information in the form of a PowerPoint Presentation.*Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*NONE |
| **Lesson Closure** | Q: What is scarcity? A: Scarcity involves unlimited wants and needs, combined with limited resources Q: Who determines what goods and services will be produced in the free, mixed, and controlled economies? A: Individuals are decision makers in the free economy, individuals and the government make decisions in the mixed economy, and the government makes decisions in the controlled economy. Q: At When does the government get involved in exchange relationships in the private enterprise economy? A: The government steps in only when some party or parties are deemed to have an unfair advantage or disadvantage or when it is trying to discourage or prevent some activity that is viewed as harmful to society.*Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*NONE |
| **Summative/End of Lesson Assessment \***  | Informal Assessment: 1. Instructor will observe students during Independent Practice assignments, class discussion, class participation, and PowerPoint discussions. 2. Instructor will assist individual students as needed. Formal Assessment: 1. Use Independent Assignment Sheet #1 Rubric to evaluate “Making a Poster: Comparing Economic Systems” as students determine how the three basic economic questions are answered in different economies. 2. Independent Activity #2 will be evaluated by the instructor for class participation. 3. Use Independent Assignment Sheet #3 Rubric to evaluate “Conducting Business in China” as students research the pros and cons of marketing opportunities of a clothing manufacturer in China. 4. Use Extension Activity #1 Rubric to evaluate “Conducting International Business” as teams research history and present conditions in different countries economies. 5. Use Extension Activity #2 Rubric to evaluate the success of Steve and Barry’s*Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*NONE |
| **References/Resources/****Teacher Preparation** | References: 1. Marketing, Third Edition, James L. Burrow, Southwestern Cengage Learning 2. Marketing Essentials, McGraw Hill 3. USA Today and local newspapers |
| **Additional Required Components** |
| **English Language Proficiency Standards (ELPS) Strategies** |  |
| **College and Career Readiness Connection[[1]](#footnote-1)** |  |
| **Recommended Strategies** |
| **Reading Strategies** |  |
| **Quotes** |  |
| **Multimedia/Visual Strategy****Presentation Slides + One Additional Technology Connection** |  |
| **Graphic Organizers/Handout** |  |
| **Writing Strategies****Journal Entries + 1 Additional Writing Strategy** |  |
| **Communication****90 Second Speech Topics** |  |
| **Other Essential Lesson Components** |
| **Enrichment Activity**(e.g., homework assignment) |  |
| **Family/Community Connection** |  |
| **CTSO connection(s)** | DECA |
| **Service Learning Projects** |  |
| **Lesson Notes** |  |

1. Visit the Texas College and Career Readiness Standards at <http://www.thecb.state.tx.us/collegereadiness/CRS.pdf>, Texas Higher Education Coordinating Board (THECB), 2009. [↑](#footnote-ref-1)