

# Economics and Personal Finance (6120)

## Developing Knowledge and Integration of Basic Economic Concepts and Structures EPF.1

- 1 Describe how consumers, businesses, and government decision-makers face scarcity of resources and must make trade-offs and incur opportunity costs. EPF.1.1
- 2 Compare economic systems. EPF.1.2
- 3 Explain that economic choices often have long-term, unintended consequences. EPF.1.3
- 4 Describe how effective decision-making requires comparing the additional costs (marginal costs) and additional benefits (marginal benefits). EPF.1.4
- 5 Identify factors of production. EPF.1.5
- 6 Explain the characteristics of a market economy as described by Adam Smith, the father of modern economics. EPF.1.6

## Understanding the Role of Producers and Consumers in a Market Economy EPF.2

- 1 Describe how consumers, producers, workers, savers, investors, and citizens respond to incentives and disincentives. EPF.2.1
- 2 Explain how businesses respond to consumer sovereignty. EPF.2.2
- 3 Identify the role of entrepreneurs. EPF.2.3
- 4 Compare the costs and benefits of different forms of business organization. EPF.2.4
- 5 Describe how costs and revenues affect profit and supply. EPF.2.5
- 6 Demonstrate how increased productivity affects costs of production and standard of living. EPF.2.6
- 7 Examine how investment in human capital, capital goods, and technology can improve productivity. EPF.2.7
- 8 Describe the effects of competition on producers, sellers, and consumers EPF.2.8
- 9 Explain why monopolies or collusion among sellers reduces competition and raises prices. EPF.2.9

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**10 Describe the circular flow of economic activity.** EPF.2.10

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**Exploring the Price System** EPF.3

- 1 Examine the laws of supply and demand and the determinants of each.** EPF.3.1
  - 2 Explain how the interaction of supply and demand determines equilibrium price and wages.** EPF.3.2
  - 3 Describe the elasticity of supply and demand.** EPF.3.3
  - 4 Examine the purposes and implications of price ceilings and price floors.** EPF.3.4
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**Exploring the Many Factors That Affect Income** EPF.4

- 1 Examine the market value of a worker's education, skills, training, knowledge and credentials.** EPF.4.1
  - 2 Describe how changes in supply and demand for goods and services affect income.** EPF.4.2
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**Demonstrating Knowledge of a Nation's Economic Goals** EPF.5

- 1 Describe economic indicators, such as gross domestic product (GDP), consumer price index (CPI), and unemployment rate.** EPF.5.1
  - 2 Describe the causes and effects of unemployment, inflation, and reduced economic growth.** EPF.5.2
  - 3 Describe the fluctuations of the business cycle and how economic indicators change throughout the business cycle.** EPF.5.3
  - 4 Describe strategies for achieving national economic goals.** EPF.5.4
  - 5 Demonstrate knowledge of the nation's financial system.** EPF.5.5
  - 6 Demonstrate knowledge of how fiscal policy influences employment, output, and prices.** EPF.5.6
  - 7 Demonstrate knowledge of how monetary policy influences employment, output, and prices.** EPF.5.7
  - 8 Demonstrate knowledge of the role of government in a market economy.** EPF.5.8
  - 9 Demonstrate knowledge of the global economy.** EPF.5.9
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**Developing Consumer Skills** EPF.6

- 1 Examine basic economic concepts and their relation to product prices and consumer spending.** EPF.6.1
- 2 Examine the effect of supply and demand on wages and prices.** EPF.6.2
- 3 Describe the steps for making a purchase decision.** EPF.6.3
- 4 Describe common types of contracts and the implications of each.** EPF.6.4

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- 5 Demonstrate comparison-shopping skills.** EPF.6.5

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  - 6 Maintain a secure system for personal financial records.** EPF.6.6

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  - 7 Examine the impact of advertising and marketing on consumer demand and decision making in the global marketplace.** EPF.6.7

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  - 8 Access reliable financial information from a variety of sources.** EPF.6.8

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  - 9 Explain consumer rights, responsibilities, remedies, and the importance of consumer vigilance.** EPF.6.9

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  - 10 Examine precautions for protecting identity and other personal information.** EPF.6.10

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  - 11 (Optional) Interact effectively with salespersons and merchants.** EPF.6.11

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  - 12 (Optional) Describe consumer protection regulations.** EPF.6.12

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  - 13 Describe the role of consumer assistance agencies.** EPF.6.13
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**Demonstrating Knowledge of Planning for Living and Leisure Expenses** EPF.7

- 1 Compare the costs and benefits of purchasing vs. leasing a vehicle and other methods of transportation.** EPF.7.1

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  - 2 Compare the advantages and disadvantages of renting vs. purchasing a residence.** EPF.7.2

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  - 3 Describe the process of renting a residence.** EPF.7.3

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  - 4 Describe the process of purchasing a residence.** EPF.7.4

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  - 5 Calculate the cost of utilities, services, maintenance, and other housing expenses involved in independent living.** EPF.7.5

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  - 6 Evaluate discretionary spending decisions.** EPF.7.6
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**Demonstrating Knowledge of Banking Transactions** EPF.8

- 1 Describe the types of financial institutions.** EPF.8.1

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- 2 Examine how financial institutions affect personal financial planning.** EPF.8.2

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- 3 Evaluate services and related costs associated with personal banking.** EPF.8.3

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- 4 Compare contemporary, non-traditional methods of payment between parties.** EPF.8.4

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- 5 Differentiate among types and regulations of electronic monetary transactions.** EPF.8.5

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- 6 Prepare all forms necessary for opening and maintaining a checking and a savings account.** EPF.8.6

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  - 7 Reconcile bank statements.** EPF.8.7

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  - 8 Compare costs and benefits of online, mobile, and traditional banking.** EPF.8.8

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  - 9 Explain how certain historical events have influenced the banking system and other financial institutions.** EPF.8.9

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  - 10 Compare the U.S. monetary system with the international monetary system.** EPF.8.10
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**Demonstrating Knowledge of Credit and Loan Functions** EPF.9

- 1 Evaluate the various methods of financing a purchase.** EPF.9.1

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  - 2 Analyze credit card features and their impact on personal financial planning.** EPF.9.2

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  - 3 Identify qualifications needed to obtain credit.** EPF.9.3

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  - 4 Identify basic provisions of credit and loan laws.** EPF.9.4

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  - 5 Compare terms and conditions of various sources of consumer credit.** EPF.9.5

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  - 6 Identify strategies for effective debt management, including sources of assistance.** EPF.9.6

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  - 7 Explain credit rating and credit report.** EPF.9.7

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  - 8 Compare the costs and conditions of secured and unsecured loans.** EPF.9.8

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  - 9 Compare amortization schedules for loans.** EPF.9.9

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  - 10 Compare the types of voluntary and involuntary bankruptcy and the implications of each.** EPF.9.10

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  - 11 Calculate payment schedules for a loan, using spreadsheets, calculators, and/or online tools.** EPF.9.11

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  - 12 Complete a sample credit application.** EPF.9.12
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**Demonstrating Knowledge of the Role of Insurance in Risk Management** EPF.10

- 1 Evaluate insurance as a risk-management strategy.** EPF.10.1

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- 2 Distinguish among the types, costs, and benefits of automobile insurance coverage.** EPF.10.2

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- 3 Distinguish among the types, costs, and benefits of life insurance.** EPF.10.3

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- 4 Distinguish among the types, costs, and benefits of property insurance.** EPF.10.4

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**5 Distinguish among the types, costs, and benefits of health insurance.** EPF.10.5

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**6 Explain the roles of insurance in financial planning.** EPF.10.6

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**7 Distinguish among the types of professional liability insurance.** EPF.10.7

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**Demonstrating  
Knowledge of Income  
Earning and  
Reporting** EPF.11

**1 Examine how personal choices about education, training, skill development, and careers impact earnings.** EPF.11.1

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**2 Differentiate among employment arrangements and sources of income.** EPF.11.2

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**3 Explain the content and purpose of a standard W-2 and 1099 form.** EPF.11.3

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**4 Calculate net pay.** EPF.11.4

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**5 Investigate employee benefits and incentives.** EPF.11.5

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**6 Complete standard federal employment tax forms.** EPF.11.6

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**Demonstrating  
Knowledge of  
Taxes** EPF.12

**1 Describe the types and purposes of local, state, and federal taxes and the way each is levied and used.** EPF.12.1

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**2 Explore how tax structures affect consumers, producers, business owners, and individual of varying income levels differently.** EPF.12.2

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**3 Compute local taxes on products and services.** EPF.12.3

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**4 (Optional) Explain the similarities and differences between state and federal taxation of inheritances.** EPF.12.4

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**5 Examine potential tax deductions and credits on a tax return.** EPF.12.5

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**6 Define the terminology associated with inheritance.** EPF.12.6

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**7 (Optional) Compare investment options for a monetary inheritance.** EPF.12.7

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**8 (Optional) Examine types and purposes of estate planning.** EPF.12.8

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**9 (Optional) Complete a state income tax form, including electronic formats.** EPF.12.9

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**10 (Optional) Complete short and itemized federal income tax forms, including electronic formats.** EPF.12.10

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**Demonstrating  
Knowledge of Personal  
Financial  
Planning** EPF.13

**1 Identify short-term and long-term personal financial goals.** EPF.13.1

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**2 Identify anticipated and unanticipated income and expenses.** EPF.13.2

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**3 Examine components and purposes of a personal net worth statement.** EPF.13.3

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- 4 Develop a personal budget.** EPF.13.4
  - 5 Investigate the effects of government actions and economic conditions on personal financial planning.** EPF.13.5
  - 6 Explain how economics influences a personal financial plan.** EPF.13.6
  - 7 Examine the fundamental workings of the Social Security system and the system's effects on retirement planning.** EPF.13.7
  - 8 Compare alternative retirement plans.** EPF.13.8
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**Demonstrating Knowledge of Investment and Savings Planning** EPF.14

- 1 Compare the impact of simple interest vs. compound interest on savings.** EPF.14.1
  - 2 Compare investment and savings options.** EPF.14.2
  - 3 (Optional) Explain costs and income sources for investments.** EPF.14.3
  - 4 Explore how the stock and bond markets work.** EPF.14.4
  - 5 Identify investment products.** EPF.14.5
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**Financing Education after High School** EPF.15

- 1 Identify sources of financial aid.** EPF.15.1
  - 2 Explain how to apply for financial aid for post-secondary education and training.** EPF.15.2
  - 3 Explain how to remain eligible for financial aid for post-secondary education and training.** EPF.15.3
  - 4 Examine types of student loans.** EPF.15.4
  - 5 Explain the repayment process for student loans.** EPF.15.5
  - 6 Describe types of student grants.** EPF.15.6
  - 7 Describe types of scholarships.** EPF.15.7
  - 8 Describe investment options to pay for postsecondary education costs.** EPF.15.8
  - 9 Identify ways to make the cost of postsecondary education affordable.** EPF.15.9
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**Preparing for Industry Certification** EPF.16

- 1 Describe the process and requirements for obtaining industry certifications related to the Economics and Personal Finance course.** EPF.16.1
- 2 Identify testing skills/strategies for a certification examination.** EPF.16.2
- 3 Demonstrate ability to successfully complete selected practice examinations (e.g., practice questions similar to those on certification exams).** EPF.16.3

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**4 Successfully complete an industry certification examination representative of skills learned in this course (e.g., W!SE Financial Literacy Examination).** EPF.16.4

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**Developing Career  
Exploration and  
Employability  
Skills** EPF.17

**1 (Optional) Investigate career opportunities.** EPF.17.1

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**2 (Optional) Identify personal interests, aptitudes, and attitudes related to the characteristics found in successful workers.** EPF.17.2

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**3 (Optional) Prepare a professional portfolio.** EPF.17.3

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**4 (Optional) Research a company in preparation for a job interview.** EPF.17.4

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**5 (Optional) Participate in mock interviews to refine interviewing techniques.** EPF.17.5

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**6 (Optional) Prepare employment-related correspondence.** EPF.17.6