

Pursuit!

on the trail of economic growth

National Standards

Pursuit! game questions and guide dialogues address **17 of the 20 Voluntary National Content Standards in Economics**. This list provides the specific trails, questions (Q = Question), and guide dialogues that illustrate each of these standards. To view all 20 standards, go to the web site of the Council for Economic Education: <http://www.councilforeconed.org/ea/standards>.

Standard 1: Scarcity

Productive resources are limited. Therefore, people cannot have all the goods and services they want; as a result, they must choose some things and give up others.



Standard 2: Marginal Cost/Benefit

Effective decision-making requires comparing the additional costs of alternatives with the additional benefits. Most choices involve doing a little more or a little less of something; few choices are “all or nothing” decisions.

Guide(s): *Entrepreneur, Uncle Sam*



Standard 3: Allocation of Goods and Services

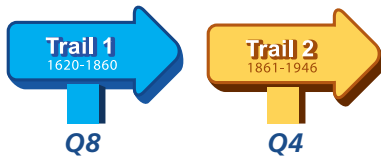
Different methods can be used to allocate goods and services. People acting individually or collectively through government, must choose which methods to use to allocate different kinds of goods and services.

Guide(s): *Teacher, Uncle Sam*

Standard 4: Role of Incentives

People respond predictably to positive and negative incentives.

Guide(s): *Inventor, Scientist, Entrepreneur*



Standard 6: Specialization and Trade

When individuals, regions, and nations specialize in what they can produce at the lowest cost and then trade with others, both production and consumption increase.



Standard 7: Markets—Price and Quantity Determination

Markets exist when buyers and sellers interact. This interaction determines market prices and thereby allocates scarce goods and services.



Standard 8: Role of Price in Market System

Prices send signals and provide incentives to buyers and sellers. When supply or demand changes, market prices adjust, affecting incentives.

Guide(s): *Entrepreneur*



Standard 10: Role of Economic Institutions

Institutions evolve in market economies to help individuals and groups accomplish their goals. Banks, labor unions, corporations, legal systems, and not-for-profit organizations are examples of important institutions. A different kind of institution—clearly defined and enforced property rights—is essential to a market economy.

Guide(s): *Inventor, Scientist, Teacher, Entrepreneur, Banker*



Standard 11: Role of Money

Money makes it easier to trade, borrow, save, invest, and compare the value of goods and services.

Guide(s): *Banker*



Standard 12: Role of Interest Rates

Interest rates, adjusted for inflation, rise and fall to balance the amount saved with the amount borrowed, which affects the allocation of scarce resources between present and future uses.

Guide(s): *Teacher, Banker, Uncle Sam*



Standard 13: Role of Resources in Determining Income

Income for most people is determined by the market value of the productive resources they sell. What workers earn depends, primarily, on the market value of what they produce and how productive they are.

Guide(s): *Inventor, Entrepreneur*



Standard 14: Profit and the Entrepreneur

Entrepreneurs are people who take the risks of organizing productive resources to make goods and services. Profit is an important incentive that leads entrepreneurs to accept the risks of business failure.

Guide(s): *Scientist, Entrepreneur*



Standard 15: Growth

Investment in factories, machinery, new technology, and in the health, education, and training of people can raise future standards of living.

Guide(s): *Inventor, Scientist, Teacher, Entrepreneur, Uncle Sam*



Standard 16: Role of Government

There is an economic role for government in a market economy whenever the benefits of a government policy outweigh its costs. Governments often provide for national defense, address environmental concerns, define and protect property rights, and attempt to make markets more competitive. Most government policies also redistribute income.

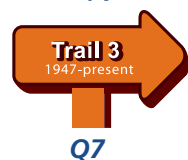
Guide(s): *Scientist, Teacher, Uncle Sam*



Standard 17: Using Cost/Benefit Analysis to Evaluate Government Programs

Costs of government policies sometimes exceed benefits. This may occur because of incentives facing voters, government officials, and government employees, because of actions by special interest groups that can impose costs on the general public, or because social goals other than economic efficiency are being pursued.

Guide(s): *Teacher*



Standard 18: Macroeconomy-Income/Employment, Prices

A nation's overall levels of income, employment, and prices are determined by the interaction of spending and production decisions made by all households, firms, government agencies, and others in the economy.

Guide(s): *Uncle Sam*

Standard 20: Monetary and Fiscal Policy

Federal government budgetary policy and the Federal Reserve System's monetary policy influence the overall levels of employment, output, and prices.

Guide(s): *Banker, Uncle Sam*