

MACROECONOMICS

COMPLETE UNIT BUNDLE

A Full-Semester High School Curriculum

Rigorous | Standards-Aligned | Project-Based

18 Detailed Unit Lesson Plans

Extensive Student Note-Taking Guide & Graphic Organizers

5 Real-World Case Studies (Stagflation, 2008 Crisis, etc.)

Stock Market Simulation & Econ News Analysis Project

3 Unit Tests with Detailed Answer Keys

40 Vocabulary Wall Cards

UM Printables

Table of Contents

1. Unit 1: Economic Fundamentals & Indicators (Lessons 1-6)	3
2. Unit 2: Aggregate Demand, Supply & Fiscal Policy (Lessons 7-12)	10
3. Unit 3: Monetary Policy, Trade & Finance (Lessons 13-18)	17
4. Student Note-Taking Guide & Graphic Organizers	24
5. Vocabulary Wall Cards (40)	32
6. Real-World Case Studies (5)	35
7. Stock Market Simulation Activity	40
8. Economic News Analysis Project	44
9. Unit Tests & Answer Keys (3)	49

Unit 1: Economic Fundamentals & Indicators

This unit establishes the baseline for macroeconomic study. Students will learn the foundational vocabulary, the Production Possibilities Curve, and how to measure the health of an economy using GDP, Unemployment, and Inflation metrics.

Introduction to Economics & Scarcity

Essential Question

How do individuals and societies make choices when resources are limited?

Objective

Students will define economics, explain the concept of scarcity, and calculate opportunity cost using the Production Possibilities Curve (PPC).

Key Vocabulary

Scarcity, Opportunity Cost, Production Possibilities Curve (PPC), Efficiency, Inefficiency

Bellringer (5 mins)

Imagine you have a free weekend but only \$50. What choices do you make? What do you give up?

Direct Instruction (25-30 mins)

Introduce the definition of economics as the study of scarcity and choice. Differentiate between micro and macro. Explain Opportunity Cost as the value of the next best alternative. Model how to draw a PPC, label the axes, and plot points. Demonstrate how to calculate opportunity cost when moving between two points on the curve. Explain points inside (inefficiency), on (efficiency), and outside (unattainable) the curve.

Guided Practice / Activity (15-20 mins)

Students complete a PPC Graphing Worksheet. Given a production schedule for two goods (e.g., Capital vs. Consumer goods), students draw the curve, label points, and calculate the opportunity cost of shifting production.

Closure & Assessment (5 mins)

Exit Ticket: Write a real-world example of a tradeoff you made this week and identify the opportunity cost.

Economic Systems & The Circular Flow Model

Essential Question

How do different economic systems answer the three fundamental economic questions?

Objective

Students will compare market, command, and mixed economies, and analyze the Circular Flow Model of economic activity.

Key Vocabulary

Market Economy, Command Economy, Mixed Economy, Circular Flow Model, Factor Market, Product Market

Bellringer (5 mins)

Who should decide what gets produced in a country: the government, private businesses, or consumers?

Direct Instruction (25-30 mins)

Review the 3 fundamental questions (What, How, For Whom). Compare Market, Command, and Mixed systems, noting their strengths and weaknesses. Draw the Circular Flow Model: Households & Firms, Product & Factor Markets. Trace the flow of money and goods.

Guided Practice / Activity (15-20 mins)

Students are assigned one economic system. They must create a 1-page 'Country Profile' detailing how their system answers the 3 fundamental questions, providing one real-world example of that system.

Closure & Assessment (5 mins)

Trace \$1 from your wallet through the Circular Flow Model. Where does it go first?

Measuring GDP

Essential Question

How do we measure the total economic output of a nation?

Objective

Students will define GDP, identify its components (C+I+G+Nx), and differentiate between Nominal and Real GDP.

Key Vocabulary

Gross Domestic Product (GDP), Consumption (C), Investment (I), Government Spending (G), Net Exports (Nx), Nominal GDP, Real GDP

Bellringer (5 mins)

If you buy a used car, does that count towards this year's GDP? Why or why not?

Direct Instruction (25-30 mins)

Define GDP as the total market value of all final goods/services produced in a country in a year. Emphasize 'final', 'domestic', and 'market value'. Break down the Expenditure Approach (C+I+G+Nx). Differentiate Nominal (current prices) vs. Real GDP (adjusted for inflation). Explain what is NOT included in GDP (used goods, financial transactions, non-market activities).

Guided Practice / Activity (15-20 mins)

GDP Calculation Scenarios: Students are given 15 economic events (e.g., 'Government builds a new bridge', 'You buy a share of Apple stock') and must identify if it counts in GDP, and if so, which component (C, I, G, or Nx).

Closure & Assessment (5 mins)

Calculate Real GDP: If Nominal GDP is \$14 trillion and the GDP Deflator is 110, what is Real GDP? (Show work)

Currency values affect the price of imports and exports.

- Appreciation (Stronger Dollar): US goods become more expensive abroad; Foreign goods become cheaper in the US. Net Exports (Nx) DECREASE.
- Depreciation (Weaker Dollar): US goods become cheaper abroad; Foreign goods become more expensive in the US. Net Exports (Nx) INCREASE.

UNIT 3: MONETARY POLICY, TRADE & FINANCE

3.1 Monetary Policy Tools Matrix

The Federal Reserve uses three primary tools to influence the money supply and interest rates.

Fed Tool	Expansionary Action	Contractionary Action	Money Supply	Interest Rates
OMO	Buy Bonds	Sell Bonds	Buy: Inc / Sell: Dec	Buy: Dec / Sell: Inc
Discount Rate	Lower Rate	Raise Rate	Lower: Inc / Raise: Dec	Lower: Dec / Raise: Inc
Reserve Req	Lower RR	Raise RR	Lower: Inc / Raise: Dec	Lower: Dec / Raise: Inc

3.2 The Money Multiplier

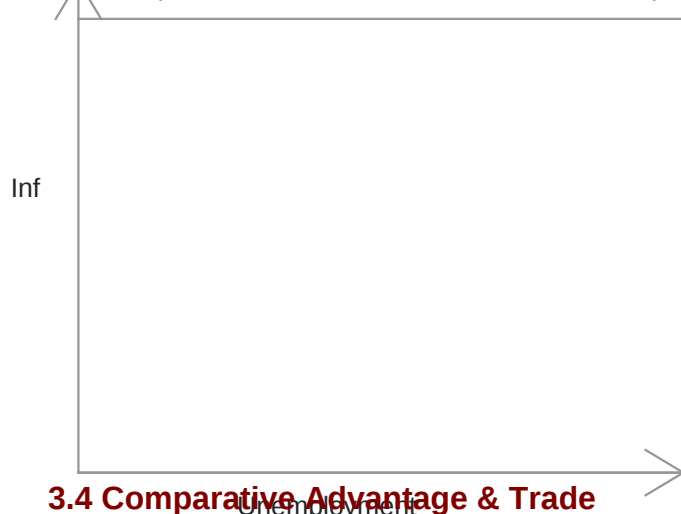
Banks create money through the fractional reserve system. The maximum potential expansion of the money supply can be calculated using the Money Multiplier.

$$\text{Money Multiplier} = 1 / \text{Reserve Requirement}$$

- Maximum Change in Money Supply = Initial Deposit x Money Multiplier
- Example: If the RR is 10% (0.10), the multiplier is $1/0.10 = 10$. A \$1,000 deposit can create up to \$10,000 in new money.

3.3 The Phillips Curve Framework

The Phillips Curve illustrates the inverse relationship between inflation and unemployment in the short run.



Short-Run vs. Long-Run:

SRPC: Downward sloping. Tradeoff exists.

LRPC: Vertical at NRU. No tradeoff.

Stagflation: SRPC shifts right (higher inflation & higher unemployment).

3.4 Comparative Advantage & Trade

Trade allows countries to consume beyond their PPC. Countries should specialize in the good for which they have the lowest opportunity cost.

Steps to Determine Comparative Advantage:

1. Calculate the Opportunity Cost for each good for each country.
2. Compare the costs. The country with the LOWER cost has the Comparative Advantage.
3. Terms of Trade must lie BETWEEN the two opportunity costs of the good being traded.

3.5 Exchange Rate Impacts

Currency values affect the price of imports and exports.

- **Appreciation (Stronger Dollar):** US goods become more expensive abroad; Foreign goods become cheaper in the US. Net Exports (Nx) DECREASE.
- **Depreciation (Weaker Dollar):** US goods become cheaper abroad; Foreign goods become more expensive in the US. Net Exports (Nx) INCREASE.

9. Vocabulary Wall Cards (40)

Print, cut, and laminate these vocabulary cards. Display them on your classroom wall as a word bank, or use them for flashcards, matching games, and unit reviews.

Scarcity

Opportunity Cost

Production Possibilities Frontier

Market Economy

Command Economy

Gross Domestic Product (GDP)

Nominal GDP

Real GDP

UNIT 2 ANSWER KEY

Multiple Choice Key

- 1. C (Gov spending shifts AD right)
- 2. B (At full employment, output is independent of price level)
- 3. C (Multiplier = $1/\text{MPS}$. $\text{MPC}=0.8$, so $\text{MPS}=0.2$. $1/0.2 = 5$)
- 4. D (Increasing gov spending is expansionary fiscal policy)

Free Response Key

- 5. Decreasing income taxes increases consumers' disposable income. This leads to an increase in Consumer Spending (C), shifting AD to the right. The initial increase in spending is multiplied through the economy because one person's spending becomes another's income. Max GDP change = Initial tax cut x Tax Multiplier.
- 6. Demand-pull inflation is caused by AD shifting right faster than AS ('too much money chasing too few goods'), e.g., massive stimulus checks. Cost-push inflation is caused by SRAS shifting left due to increased production costs, e.g., sudden spike in oil prices.

UNIT 3 TEST: MONETARY POLICY & TRADE

Student Name: _____ Class Period: _____

Multiple Choice (3 pts each)

1. If the Federal Reserve sells government bonds, this is an example of:
A) Expansionary fiscal policy B) Contractionary fiscal policy C) Expansionary monetary policy D) Contractionary monetary policy
2. If the reserve requirement is 20%, the maximum potential money multiplier is:
A) 4 B) 5 C) 20 D) 80
3. Country A can produce 10 cars or 50 wheat. Country B can produce 6 cars or 24 wheat. Which statement is true?
A) Country A has a comparative advantage in cars B) Country B has a comparative advantage in cars C) Neither country has a comparative advantage D) Country A has a comparative advantage in wheat
4. If the US dollar appreciates against the Euro, what is the likely impact on US net exports?
A) Net exports will increase B) Net exports will decrease C) Net exports will remain unchanged D) Imports will decrease

Free Response (10 pts each)

5. The economy is experiencing high inflation. Explain the specific steps the Federal Reserve would take using monetary policy to address this, and explain how those steps will affect interest rates and Aggregate Demand.
6. Explain the difference between absolute advantage and comparative advantage. Why do economists argue that trade is still beneficial even if one country has an absolute advantage in all goods?