

Grade 7 History & Geography

Unit 4: Economics in U.S. History

5 lessons and a unit quiz. Use this pack with the **Economics in U.S. History Student Reader** (print it, or download it once from the course) to teach the whole unit without the internet.

What is in this pack

- A lesson plan for each chapter: the Big Question, words to know, which pages to read, questions to talk over and the activity pages.
- The unit quiz, ready to print.
- Answers for the teacher at the back: every discussion question and the quiz key.

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Lesson schedule

Two or three lessons a week, about 30 minutes each. Tick each one off as you go.

	Lesson	Reader pages	Activity pages
☐	Chapter 1: What Is an Economy?	PDF pages 62–73	—
☐	Chapter 2: Why People Make Certain Economic Choices	PDF pages 74–81	AP 2.1
☐	Chapter 3: Exchange	PDF pages 82–89	—
☐	Chapter 4: The Marketplace	PDF pages 90–95	—
☐	Chapter 5: Economics Throughout U.S. History	PDF pages 96–103	AP 5.1
☐	Unit quiz	—	—

Page numbers are the PDF page numbers of the Student Reader file, so they match what your PDF reader shows.

Chapter 1: What Is an Economy?

THE BIG QUESTION

How do communities meet their needs and wants?

Words to know

- **economy** — the way a country manages its money and resources to produce, buy, and sell goods and services *A government can spur the country's economy by increasing spending and investment.*
- **mortgage** — a legal agreement in which a person borrows money to buy a house and pays back the money over time *The couple worried that if they could not pay back their mortgage, the bank might repossess their house.*
- **commute** — to travel regularly to and from a place of work *Many people do not like to commute, so they look for jobs that allow them to work from home.*
- **capital** — money needed to pay for a workforce, machinery, and other equipment to support the development and growth of a business *The small business looked for investors to provide the capital it needed to expand production.*
- **raw materials** — substances used in the primary production or manufacture of goods (59) Chapter 1 | What Is an Economy? *The U.S. auto industry developed in areas where there were ample deposits of raw materials needed for producing cars, such as coal and iron.*
- **tangible** — capable of being touched *The man reached out and grabbed the can of soup, confirming that it was tangible.*
- **entrepreneur** — a person who starts a business and is willing to risk loss in order to make money *The entrepreneur invested all of his savings in his technology startup.*
- **specialize** — to develop a specific set of skills for a single purpose *The student decided to specialize in mechanical engineering instead of civil engineering.*
- **interdependence** — the state of being related in such a way that each needs or depends on the other *An example of interdependence is how bees need flowers to provide them food and flowers need bees to help them reproduce.*
- **mutually reliant** — depending on one another for something *The two businesses were mutually reliant on one another for success.*
- **marketplace** — an area where people go to buy, sell, and trade goods *Some people prefer to shop for clothing in a physical store, while others prefer to use an online marketplace.*
- **marking up** — increasing the price of something *The clerk was marking up prices on roses and chocolate before Valentine's Day.*
- **profit** — the money that is made by a business once all expenses have been paid *Because startup costs are generally high, it is uncommon for a business to turn a profit in its first year.*

- **fluctuate** — to change frequently *Prices of food can fluctuate depending on the season, the weather, and changing tastes.*
- **externality** — a consequence of a commercial activity that affects other parties without impacting the cost of the goods *A common negative externality of manufacturing is water pollution.*

Read

Read Chapter 1 in the Student Reader: PDF pages 62–73. Look at the pictures and maps together.

Talk it over

1. What is a need?
2. What is a want?
3. Why is differentiating between needs and wants important when making purchasing decisions?
4. What are some examples of capital resources?
5. How does geography impact available resources?
6. What is a good?
7. What is a service?
8. What is a consumer?
9. What is a producer?
10. What types of information do producers need in order to make decisions about what to make and how to make it?
11. Why is it beneficial for some producers to specialize?
12. Why do retailers mark up the price of goods?
13. How does the fluctuation in price of a raw material impact producers and consumers?

Answers are at the back of this pack.

Check for understanding

- Answer the Big Question in a sentence or two: How do communities meet their needs and wants?
- Use one of today's words in a sentence of your own.

Chapter 2: Why People Make Certain Economic Choices

THE BIG QUESTION

How do people with limited resources make economic choices?

Words to know

- **prohibitively** — done in a way that prevents something from happening *The cost of the designer sneakers became prohibitively expensive, leading consumers to buy another brand.*
- **import** — to bring a product into a country to be sold there *The company decided to import cloth from overseas instead of making its own domestically.*
- **importation** — opportunity cost, n. the value of the option that was not chosen whenever a choice is made *The student weighed the opportunity cost of going to the movies with friends instead of staying home to study for the exam.*
- **discount** — an amount taken off a regular price *The store offered a discount on misshapen fruits and vegetables.*
- **equilibrium price** — the price at which supply equals demand *When events cause a price to rise or fall, market forces tend to force it back to the equilibrium price.*
- **elastic** — able to be changed; flexible *The demand for snow boots is elastic because people need them only during certain times of the year.*
- **glut** — a supply of something that is much more than is needed or wanted *The glut of unsold houses is causing home prices to drop.*

Read

Read Chapter 2 in the Student Reader: PDF pages 74–81. Look at the pictures and maps together.

Talk it over

1. What is scarcity?
2. What is a surplus?
3. How does the price of an item change if the item becomes scarce?
4. How do purchases of an item change if the price increases?
5. How do opportunity costs help people make decisions?
6. What is a trade-off?
7. Why must every purchasing decision involve a trade-off?
8. How do discounts work as an incentive for buyers?
9. What is a negative incentive?

10. How do negative incentives work to change behavior?
11. What is supply?
12. What is demand?
13. Why does a plane ticket for a leisure trip have high elasticity?
14. What is likely to happen when a producer has a glut of inventory?
15. Why do people create budgets?

Answers are at the back of this pack.

Check for understanding

- Answer the Big Question in a sentence or two: How do people with limited resources make economic choices?
- Use one of today's words in a sentence of your own.

Activity pages

- Activity Page 2.1: Domain Vocabulary: Chapters 1-2 — Teacher Guide PDF pages 116-117

Chapter 3: Exchange

THE BIG QUESTION

How do people purchase goods and services?

Words to know

- **ubiquitous** — seeming to be everywhere *Pavement is so ubiquitous in the city that people may not even notice it.*
- **circulation** — the act of passing something, such as money, from person to person or place to place *By raising or lowering the cost of borrowing money, the Federal Reserve controls how much money is in circulation.*
- **accrue** — to increase in number or amount over time *The high interest rate allowed the savings account to accrue several thousand dollars over the course of a year.*
- **market value** — the price that consumers are willing to pay for something *The market value of used cars increases when new cars become less affordable.*
- **wages** — the amount of money that workers are paid based on their occupation and the number of hours they work each week *Mark saved a portion of his wages each week to buy a new bicycle.*

Read

Read Chapter 3 in the Student Reader: PDF pages 82–89. Look at the pictures and maps together.

Talk it over

1. What is bartering?
2. What is a modern example of bartering?
3. What were the first objects used as money in the Americas?
4. Why is money useful?
5. How does credit work?
6. What happens when there is too much supply of an item?
7. Why does the market value of seasonal produce change throughout the year?
8. How does employment impact value in an economy?
9. What is international trade?
10. Why is international trade beneficial?
11. How does offshoring production lower costs?

Answers are at the back of this pack.

Check for understanding

- Answer the Big Question in a sentence or two: How do people purchase goods and services?

- Use one of today's words in a sentence of your own.

Chapter 4: The Marketplace

THE BIG QUESTION

Where do people buy things?

Words to know

- **abstract** — relating to general ideas or qualities rather than to specific people, objects, or actions *The teacher engaged students in a discussion about the abstract notion of fairness.*
- **transaction** — an occurrence in which goods, services, or money are passed from one person or group to another *The clerk noted every transaction in the ledger, including the day and time, customer's name, items purchased, and cost.*
- **currency** — a system of money *Upon arriving in a new country, the international traveler exchanged her dollars for the local currency.*

Read

Read Chapter 4 in the Student Reader: PDF pages 90–95. Look at the pictures and maps together.

Talk it over

1. What is a marketplace?
2. What are examples of marketplaces?
3. What is the housing market?
4. What are the features of a market?
5. How do sellers compete with one another for business?
6. Why is competition an important part of any marketplace?
7. How can laws affect marketplaces?
8. How does infrastructure managed by the government impact the economy?
9. Why do governments create money?
10. What is climate change?
11. What is the connection between climate change and infrastructure?

Answers are at the back of this pack.

Check for understanding

- Answer the Big Question in a sentence or two: Where do people buy things?
- Use one of today's words in a sentence of your own.

Chapter 5: Economics Throughout U.S. History

THE BIG QUESTION

How has the U.S. economy changed and developed over time?

Words to know

- **wampum** — a unit of money used in Eastern Woodlands economies prior to European colonization *The Haudenosaunee used wampum to trade with other nations they encountered.*
- **maritime** — ocean-based *Some English colonists in North America prospered economically through maritime trade across the Atlantic Ocean and the Caribbean Sea and along the East Coast.*
- **mission** — a settlement built for the purpose of converting Native Americans to Christianity and gaining access to resources *Spanish missions in the Americas generally included a church, living quarters, and a defensive wall.*
- **mercantilism** — an economic policy that attempted to reduce a country's need for imports by using colonies as a source of raw materials *Their belief in the economic theory of mercantilism led European powers to establish colonies around the globe.*
- **cash crop** — a crop that is grown to be sold *Farmers who rely on cash crops may set aside a section of their land to grow food crops for their household.*
- **industrialization** — a shift to the widespread use of machines and factories to produce goods *As a result of industrialization, more people worked in factories than on farms.*
- **urbanization** — the formation and growth of cities *Urbanization occurred as people moved out of rural areas in search of factory jobs in cities.*
- **collective bargaining** — the negotiation of better wages and working conditions by a group, such as a union *Through collective bargaining, the factory workers negotiated a better contract than what they were offered individually.*
- **strike** — a practice of workers refusing to work until their employer meets their demands in negotiations *The workers went on strike after the owner refused to improve working conditions.*
- **global economy** — the worldwide system of trade and economic activity *In the global economy, small and large nations around the world rely on each other for resources and markets.*
- **recession** — a time of reduced economic activity, when there is little buying or selling *During the last recession, many businesses laid off workers, and many consumers prioritized spending on needs instead of wants.*

Read

Read Chapter 5 in the Student Reader: PDF pages 96–103. Look at the pictures and maps together.

Talk it over

1. Who created the first economies in America?
2. What was the purpose of wampum?
3. What motivated European nations to colonize the Americas?
4. What was the purpose of Spanish missions?
5. How did Spanish missions function economically?
6. Under mercantilism, how did countries reduce their need for imports?
7. Why were businesses important to mercantilism?
8. How did mercantilism influence the economies of the southern colonies?
9. Who did planters rely on to grow cash crops?
10. How did industrialization affect work?
11. Why did workers form unions during the 1800s and 1900s?
12. How did the U.S. government respond to the Great Depression?

Answers are at the back of this pack.

Check for understanding

- Answer the Big Question in a sentence or two: How has the U.S. economy changed and developed over time?
- Use one of today's words in a sentence of your own.

Activity pages

- Activity Page 5.1: Domain Vocabulary: Chapters 3–5 — Teacher Guide PDF pages 118–120

UNIT QUIZ

Economics in U.S. History

Name: _____ Date: _____

Circle the letter of the best answer.

1. Which is an example of a need?

- a) clothing
- b) plane ticket
- c) cell phone
- d) restaurant

2. How does a good differ from a service?

- a) Unlike a service, a good is necessary for survival.
- b) Unlike a service, a good is produced to meet demand.
- c) Unlike a service, a good is something tangible.
- d) Unlike a service, a good is usually expensive.

3. Which is an example of a capital resource?

- a) employees
- b) tools
- c) seeds
- d) minerals

4. What is one reason a government may choose to import a good?

- a) to reduce scarcity
- b) to create a surplus
- c) to increase demand
- d) to raise prices

5. Omari chooses to rent a canoe for ten dollars and paddle on the lake for three hours instead of doing his homework. What might be Omari's opportunity cost?

- a) the canoe rental fee he paid
- b) the time he did not spend on homework
- c) the time he spent paddling
- d) the bad grade he did not receive

6. How do discounts influence economic choices?

- a) Discounts motivate consumers to make a purchase.
- b) Discounts discourage producers from making too much of a good.
- c) Discounts increase competition between producers in a market.
- d) Discounts decrease demand for a good.

7. Why is the demand for foods such as bread and milk considered inelastic?

- a) These goods are subject to the price equilibrium.
- b) Their supply is consistent relative to other products.
- c) Their prices only fluctuate at certain times of the year.
- d) They are basic necessities that are difficult to go without.

- 8.** Which means of exchange is common in traditional economies?
- a) money
 - b) credit
 - c) bartering
 - d) currency
- 9.** What is one benefit of money as a means of exchange?
- a) It has an unstable value.
 - b) It is widely accepted.
 - c) It accrues interest.
 - d) It affects market value.
- 10.** When are people more willing to spend money on things they want?
- a) when government intervention is high
 - b) when market values are high
 - c) when unemployment is high
 - d) when confidence in the economy is high
- 11.** Which is a characteristic of all markets?
- a) buyers and sellers
 - b) a physical location
 - c) a common currency
 - d) goods and services
- 12.** How does infrastructure help economies function more efficiently?
- a) It reduces the need for higher taxes.
 - b) It limits the effects of climate change.
 - c) It enables businesses and governments to cooperate.
 - d) It helps goods, buyers, and sellers reach their markets.
- 13.** If left unchecked, how will climate change most likely affect international trade?
- a) by creating surplus that lowers demand
 - b) by increasing the need for airports
 - c) by creating scarcity that raises prices
 - d) by increasing investment in businesses
- 14.** Which development laid the groundwork for the modern American economy?
- a) the adoption of mercantilism
 - b) industrialization
 - c) the abolition of slavery
 - d) collective bargaining
- 15.** How did mercantilism shape the early American economy?
- a) by encouraging the export of cash crops
 - b) by discouraging dependence on enslaved labor
 - c) by building religious missions in rural areas
 - d) by leading to rapid urbanization in coastal areas

Answers

Chapter 1: What Is an Economy?

1. **What is a need?**

A need is something that a person must have in order to survive. Chapter 1 | What Is an Economy?

2. **What is a want?**

A want is something that a person would enjoy but can survive without.

3. **Why is differentiating between needs and wants important when making purchasing decisions?**

People must be sure to have the things that they need to survive before spending money on things that they would simply like to have or are accustomed to having.

4. **What are some examples of capital resources?**

Examples of capital resources include money, tools, machinery, workplaces, and equipment.

5. **How does geography impact available resources?**

Geography impacts what raw materials are available. It impacts what plants and animals can survive and thrive in a place.

6. **What is a good?**

A good is a tangible thing that can be sold and owned, like a car.

7. **What is a service?**

A service is a process or task that someone carries out for a customer, like a haircut.

8. **What is a consumer?**

A consumer is someone who buys goods and services to meet their needs and wants. Chapter 1 | What Is an Economy?

9. **What is a producer?**

A producer is someone who makes goods or provides services.

10. **What types of information do producers need in order to make decisions about what to make and how to make it?**

Producers need information about consumer demand, the cost and availability of resources, and the costs of various methods of production.

11. **Why is it beneficial for some producers to specialize?**

Specializing can improve efficiency and lower costs for the producer.

12. **Why do retailers mark up the price of goods?**

Retailers mark up the price of goods to cover the costs of running their business, including paying employees and rent, and to collect profit. 74

13. **How does the fluctuation in price of a raw material impact producers and consumers?**

When the cost of a raw material fluctuates, producers may have to pay more for the material. To cover their own costs, the producers then raise prices for consumers.

Chapter 2: Why People Make Certain Economic Choices

1. **What is scarcity?**

Scarcity is the situation in which there are not enough resources to meet people's wants and needs.

2. **What is a surplus?**

Surplus is the opposite of scarcity. A surplus exists when there is more of an item than people want or need.

3. **How does the price of an item change if the item becomes scarce?**

The price of an item will increase if the item becomes scarce.

4. **How do purchases of an item change if the price increases?**

If the price of an item increases, some people may stop buying it or buy less of it.

5. **How do opportunity costs help people make decisions?**

Opportunity costs help people determine the value of what they get and what they give up when they make economic choices.

6. **What is a trade-off?**

In economics, a trade-off means that if you choose to purchase something, you have to sacrifice something else.

7. **Why must every purchasing decision involve a trade-off?**

Every purchasing decision must involve a trade-off because if you use your money for something, you cannot also use it for something else.

8. **How do discounts work as an incentive for buyers?**

Discounts lower the price of a good or service, which encourages people to buy the good or service.

9. **What is a negative incentive?**

A negative incentive is an undesirable outcome.

10. **How do negative incentives work to change behavior?**

A negative incentive is undesirable, so a person who has a choice will try to avoid it. Instead, they will do something that does not produce the negative incentive. For example, to avoid the negative incentive of a parking ticket, people will try to follow the parking meter rules.

11. **What is supply?**

Supply is the total amount of a product that a producer offers to consumers at one time.

12. **What is demand?**

Demand is how much want or need exists for a certain product.

13. **Why does a plane ticket for a leisure trip have high elasticity?**

A plane ticket for a leisure trip has high elasticity because it is not a necessity, and many consumers are willing to wait until the price decreases before making a purchase.

14. **What is likely to happen when a producer has a glut of inventory?**

When a producer has a glut of inventory, they are likely to decrease the price to sell

their surplus stock.

15. Why do people create budgets?

People create budgets to determine how best to spend their limited resources over a certain period of time.

Chapter 3: Exchange

1. What is bartering?

Bartering is trading one raw material, good, or service for another.

2. What is a modern example of bartering?

Possible response: A modern example of bartering would be a friend making you dinner to repay you for helping them move to a new apartment.

3. What were the first objects used as money in the Americas?

The first objects used as money in the Americas were items that were rare, such as mother-of-pearl shells.

4. Why is money useful?

Money is useful because it is accepted by everyone, it retains a stable value, and it is a measure of value—that is, it enables us to understand the value of a good in relation to other products.

5. How does credit work?

Credit allows people to make a purchase using a loan from a bank. The consumer is then responsible for paying back the bank for what they borrowed; otherwise, they will pay interest on their purchase.

6. What happens when there is too much supply of an item?

When there is too much supply of an item, the price of the item goes down. Chapter 3 | Exchange

7. Why does the market value of seasonal produce change throughout the year?

Seasonal produce can only be grown during certain times of the year. When the fruit is in season, there's a greater supply, which lowers the market price. When the fruit is out of season, there's a smaller supply, which raises the market price.

8. How does employment impact value in an economy?

When employment is high, people are more confident in the economy and more confident that their income will continue. This makes them more likely to spend money. As people spend more money, the value of goods rises.

9. What is international trade?

International trade is the trade between countries.

10. Why is international trade beneficial?

International trade is beneficial because it allows countries to import goods and resources that they would not otherwise have access to. It also results in lower prices for consumers. 86

11. How does offshoring production lower costs?

Offshoring production lowers costs by moving production from a country where wages

are high to a country where wages are low.

Chapter 4: The Marketplace

1. What is a marketplace?

A marketplace is an area where people go to buy, sell, and trade goods.

2. What are examples of marketplaces?

Flea markets, bazaars, supermarkets, shopping malls, farmers markets, online stores, and online marketplaces are all types of marketplaces.

3. What is the housing market?

The housing market is the specific portion of the economy in which housing is bought and sold.

4. What are the features of a market?

Markets have buyers and sellers competing with each other to buy and sell goods and/or services.

5. How do sellers compete with one another for business?

Sellers may compete with one another for business by offering better products or lower prices or by having unique marketing campaigns.

6. Why is competition an important part of any marketplace?

Competition is an important part of any marketplace because it gives consumers options and pressures sellers to lower prices.

7. How can laws affect marketplaces?

Laws can protect buyers from unsafe products and protect workers from exploitation and unsafe conditions.

8. How does infrastructure managed by the government impact the economy?

Infrastructure managed by the government impacts the economy by supporting markets and helping them function more efficiently.

9. Why do governments create money?

Governments create money to help marketplaces function smoothly. Money serves as a means of exchange and helps people reach a common understanding of the value of a good or service.

10. What is climate change?

Climate change is the increase in Earth's temperature as a result of human industrial activity.

11. What is the connection between climate change and infrastructure?

Climate change may have increasingly negative effects on bridges, factories, railway lines, and airports, which could cause disruptions to supply chains and international trade.

Chapter 5: Economics Throughout U.S. History

1. Who created the first economies in America?

The first economies in America were created by Native nations.

2. **What was the purpose of wampum?**
Wampum was a form of money that Eastern Woodlands peoples used to acquire their needs and wants. Wampum generally consisted of shells or beads.
 3. **What motivated European nations to colonize the Americas?**
European nations were motivated to colonize the Americas because they wanted to find a maritime route to Asia. They also wanted to use the resources of the Americas to grow their own wealth and empires. Common explorers wanted more economic opportunity.
 4. **What was the purpose of Spanish missions?**
The Spanish missions worked to make Native people accept Christianity and to give Spain control over land and resources in the Americas.
 5. **How did Spanish missions function economically?**
The Spanish missions were economically self-sustaining. They developed farmland, sought and mined resources, established trade with local peoples, and enslaved people from the local population to work the farmland and mines.
 6. **Under mercantilism, how did countries reduce their need for imports?**
Under mercantilism, countries reduced their need for imports by using colonies as a source of raw materials.
 7. **Why were businesses important to mercantilism?**
Mercantilist nations needed private businesses to produce income.
 8. **How did mercantilism influence the economies of the southern colonies?**
Because mercantilism relied on raw materials from the colonies, the southern colonies grew and exported cash crops.
 9. **Who did planters rely on to grow cash crops?**
Planters relied on enslaved people to grow cash crops.
 10. **How did industrialization affect work?**
Industrialization caused a decline in home crafts. Instead of making things, people bought them. Industrialization also caused a decline in the need for farm labor. Instead of hiring farmhands, farmers used machinery. Because manufacturing was now done with machinery, industrialization caused work to move to factories, where the machines were located.
 11. **Why did workers form unions during the 1800s and 1900s?**
Workers formed unions to improve their working and living conditions. Unions worked for higher wages, shorter workdays, and safer factories.
 12. **How did the U.S. government respond to the Great Depression?**
The U.S. government responded to the Great Depression by intervening to stabilize the economy and providing programs and policies to ease poverty and homelessness.
- Chapter 5 | Economics Throughout U.S. History

Unit quiz key

1. a 2. c 3. b 4. a 5. b 6. a 7. d 8. c 9. b 10. d 11. a 12. d 13. c 14. b 15. a