



Unit II

What's All the Buzz About? Economics as Allocation

Unit Learning Objectives

Unit II focuses on supply and demand, pricing, and allocation. The video presents a case study of honey harvesting and related bee products. Additional exercises explore the mechanisms of pricing, provide practice with allocation, and consider more complex socioeconomic indicators of the global distribution of wealth.

By the end of this unit, *ALL* students should be able to:

- Understand the rationale for the formal definition of economics as “the study of the allocation of scarce resources.”
- Understand the concept of a basket of commodities and be able to estimate the price of a commodities basket.
- Diagram a feasible international supply chain for widgets that details necessary steps from collection of raw materials to final sales to consumers.
- Understand how the forces of supply and demand affect pricing.
- Find credible economic data on the Internet and work with more advanced socioeconomic indicators.
- Discuss how, historically, the forces of colonialism have significantly shaped today’s global allocation of wealth.

ADVANCED students should be able to:

- Understand the concept of dumping, and explain how agriculture subsidies lead to artificially low milk prices.
- Draw a supply and demand graph.
- Discuss relationships between a state’s national identity and economic cohesion.
- Understand how GDP composition by sector changes with a nation’s degree of industrialization.
- Understand how an aging population can affect an economy and discuss whether or not immigration compensates for this problem.

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Overview of Activities

1. Video: What's All the Buzz About?
Review of domestication. Introduction, via the example of beekeeping, to product innovation, pricing and the supply chain.
2. Where Do We Get Widgets?
Activity exploring the international production and supply chain for an imaginary product, widgets. Poster session.
3. Home Economics
Group activity introducing formal definition of economics.
4. A Basket of Licuados
Worksheet and homework assignment exploring baskets of commodities, plus recipe for frozen fruit drink.
5. Class Market
Classroom activity exploring supply, demand and pricing.
6. Legacies of Colonialism
Essay and short-answer questions exploring the economic outcomes of colonialism in North and South America.
7. CIA World Factbook
Internet research exercise and discussion investigating advanced socioeconomic indicators of poverty and wealth.

