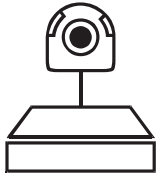


Unit 1, Lesson 5

Visual 1

GUIDE TO ECONOMIC REASONING

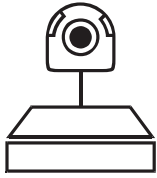
1. People choose. People choose the alternative that seems best to them because it involves the least cost and the greatest benefit. People economize.
2. People's choices involve costs — monetary costs and opportunity costs. Opportunity cost is the second-best alternative people give up in making a choice.
3. People respond to incentives in predictable ways. Incentives are benefits or rewards that encourage people to act. When incentives change, people's choices change.
4. People create economic systems, and these systems influence incentives and people's choices. How people cooperate is governed by written and unwritten rules. As rules change, incentives change and choices change.
5. People gain when they trade voluntarily. People can produce more in less time by concentrating on what they do best. The surplus goods or services they produce can be traded for other valuable goods or services.
6. People's choices have consequences that lie in the future. The important costs and benefits in economic decisions are those that will appear in the future. Economics stresses the importance of making choices about the future. People cannot choose to change the past.



Unit 1, Lesson 5
Visual 2

GRADES

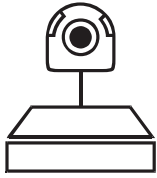
<i>NUMBER CORRECT</i>	<i>GRADE</i>
4 or more	F
3	D
2	C
1	B
0	A



Unit 1, Lesson 5
Visual 3

CLASS TALLY OF QUIZ GRADES

<i>Possible Grades</i>	<i>First Quiz</i> # of students who earned	<i>Second Quiz</i> # of students who earned
A	_____	_____
B	_____	_____
C	_____	_____
D	_____	_____
F	_____	_____



Unit 1, Lesson 5

Visual 4

GRADES AGAIN

<i>NUMBER CORRECT</i>	<i>GRADE</i>
10	A
9	B
8	C
7	D
6 or less	F

NOTE: All students earning a grade of A will be given a writing assignment which will be due at the end of the period. Other students may use the rest of the class period to read or work quietly on anything of their choice.