



## Social Studies: Economics

This document provides correlations between the 2023 Indiana Academic Standards and the 2020 Indiana Academic Standards for easy reference.

The 2023 Indiana Academic Standards resulted from the standards streamlining process required by Indiana Code 20-31-3-1(c-d) and were adopted by the Indiana State Board of Education in June 2023. Standards designated as essential (E) are shaded in gray and all standards were renumbered to avoid gaps in sequencing.

2023 Indiana Academic Standard		2020 Indiana Academic Standard	
Domain: Scarcity and Economic Reasoning		Domain: Scarcity and Economic Reasoning	
Number	Text	Number	Text
E.1.1	Define and identify each of the productive resources (i.e., natural, human, capital) and explain why each is necessary for the production of goods and services. (E)	E.1.1	Define and identify each of the productive resources (natural, human, capital) and explain why each is necessary for the production of goods and services.
		E.1.2	Explain that entrepreneurs combine productive resources to produce goods and services with the goal of making a profit.
E.1.2	Identify incentives and explain how they influence economic behavior and decision-making.	E.1.3	Identify incentives and explain how they influence economic behavior and decision-making.
E.1.3	Explain that voluntary exchange occurs when households, businesses, and governments expect to gain.	E.1.4	Explain that voluntary exchange occurs when households, businesses, and governments expect to gain.
E.1.4	Define scarcity, and explain how choices incur opportunity costs and trade-offs. (E)	E.1.5	Define scarcity and explain how choices incur opportunity costs and trade-offs.

2023-2020 Indiana Academics Standards Correlation Guide: Economics

<b>E.1.5</b>	Use a production possibilities curve to explain the concepts of choice, scarcity, opportunity cost, trade-offs, unemployment, productivity, and growth.	<b>E.1.6</b>	Use a production possibilities curve to explain the concepts of choice, scarcity, opportunity cost, trade-offs, unemployment, productivity, and growth.
<b>E.1.6</b>	Describe and compare the various economic systems (i.e., traditional, market, command, mixed); explain their strengths and weaknesses. (E)	<b>E.1.7</b>	Describe and compare the various economic systems (traditional, market, command, mixed); explain their strengths and weaknesses.
<b>E.1.7</b>	Describe how clearly defined and enforced property rights are essential to a market economy.	<b>E.1.8</b>	Describe how clearly defined and enforced property rights are essential to a market economy.
<b>E.1.8</b>	Illustrate how investment in physical and human capital can raise productivity and future standards of living. (E)	<b>E.1.9</b>	Illustrate how investment in physical and human capital can raise productivity and future standards of living.
<b>E.1.9</b>	Diagram and explain the circular flow of a market economy.	<b>E.1.10</b>	Diagram and explain the circular flow of a market economy.
<b>2023 Indiana Academic Standard</b>		<b>2020 Indiana Academic Standard</b>	
<b>Domain: Supply and Demand</b>		<b>Domain: Supply and Demand</b>	
<b>Number</b>	<b>Text</b>	<b>Number</b>	<b>Text</b>
<b>E.2.1</b>	Define supply and demand, and explain the causes of the Law of Supply and the Law of Demand. (E)	<b>E.2.1</b>	Define supply and demand and explain the causes of the Law of Supply and the Law of Demand.
<b>E.2.2</b>	Recognize that consumers ultimately determine what is produced in a market economy.	<b>E.2.2</b>	Recognize that consumers ultimately determine what is produced in a market economy.
<b>E.2.3</b>	Illustrate how supply and demand determine equilibrium price and quantity.	<b>E.2.3</b>	Illustrate how supply and demand determine equilibrium price and quantity.
<b>E.2.4</b>	Identify factors that cause changes in market	<b>E.2.4</b>	Identify factors that cause changes in market

2023-2020 Indiana Academics Standards Correlation Guide: Economics

	supply and demand and how these changes affect price and quantity in a competitive market.		supply and demand and how these changes affect price and quantity in a competitive market.
<b>E.2.5</b>	Describe how price elasticity of supply and price elasticity of demand send signals to buyers and sellers.	<b>E.2.5</b>	Describe how price elasticity of supply and price elasticity of demand send signals to buyers and sellers.
		<b>E.2.6</b>	Demonstrate how government wage and price controls, such as rent controls and minimum wage laws, create shortages, and surpluses.
<b>E.2.6</b>	Describe how the earnings of workers are determined by a number of factors including the market value of the product produced, workers' productivity, the amount of human capital held by workers, collective bargaining, and discrimination. (E)	<b>E.2.7</b>	Describe how the earnings of workers are determined by a number of factors including the market value of the product produced, workers' productivity, the amount of human capital held by workers, collective bargaining, and discrimination.
<b>2023 Indiana Academic Standard</b>		<b>2020 Indiana Academic Standard</b>	
<b>Domain: Market Structures</b>		<b>Domains: Market Structures</b>	
<b>Number</b>	<b>Text</b>	<b>Number</b>	<b>Text</b>
<b>E.3.1</b>	Explain the advantages and disadvantages of various types of firms including sole proprietorships, partnerships, and corporations.	<b>E.3.1</b>	Explain the advantages and disadvantages of various types of firms including sole proprietorships, partnerships, and corporations.
		<b>E.3.2</b>	Identify ways firms raise financial capital.
		<b>E.3.3</b>	Demonstrate how firms determine optimum levels of output by comparing marginal cost and marginal revenue.

2023-2020 Indiana Academics Standards Correlation Guide: Economics

<b>E.3.2</b>	Compare and contrast the basic characteristics of the four market structures: monopoly, oligopoly, monopolistic competition, and pure competition.	<b>E.3.4</b>	Compare and contrast the basic characteristics of the four market structures: monopoly, oligopoly, monopolistic competition, and pure competition.
<b>E.3.3</b>	Explain how competition in markets affects price and quantity. (E)	<b>E.3.5</b>	Explain how competition in markets affects price and quantity.
		<b>E.3.6</b>	Explain why natural monopolies exist (economies of scale) and the purposes of government regulation of these monopolies.
<b>2023 Indiana Academic Standard</b>		<b>2020 Indiana Academic Standard</b>	
<b>Domain: Role of Government</b>		<b>Domain: Role of Government</b>	
<b>Number</b>	<b>Text</b>	<b>Number</b>	<b>Text</b>
<b>E.4.1</b>	Explain how market failures may result in the underproduction of public goods and explain the role of government in addressing those failures.	<b>E.4.1</b>	Explain how market failures may result in the underproduction of public goods and explain the role of government in addressing those failures.
<b>E.4.2</b>	Explain how markets underproduce public goods, and explain why the government has an interest in producing these public goods. (E)	<b>E.4.1</b>	Explain how markets under produce public goods and explain why the government has an interest in producing these public goods.
<b>E.4.3</b>	Describe how the government taxes negative externalities (spillovers) and subsidizes positive externalities to resolve the inefficiencies they cause.	<b>E.4.3</b>	Describe how the government taxes negative externalities (spillovers) and subsidizes positive externalities to resolve the inefficiencies they cause.
<b>E.4.4</b>	Describe the major revenue and expenditure categories in state and federal budgets and their respective proportions, and the challenges of achieving a balanced budget. (E)	<b>E.4.4</b>	Describe the major revenue and expenditure categories in state and federal budgets and their respective proportions, and the challenges of achieving a balanced budget.

2023-2020 Indiana Academics Standards Correlation Guide: Economics

<b>E.4.5</b>	Determine whether different types of taxes (e.g., income tax, sales tax, and Federal Income Contributions Act [FICA] tax including Social Security and Medicare) are progressive, proportional, or regressive. (E)	<b>E.4.5</b>	Determine whether different types of taxes (including income, sales, and FICA (including Social Security and Medicare) are progressive, proportional, or regressive.
<b>E.4.6</b>	Define budget debt and budget deficit and distinguish between the two. Explain the effects of both on the economy. (E)	<b>E.4.7</b>	Define budget debt and budget deficit and distinguish between the two. Explain the effects of both on the economy.
<b>2023 Indiana Academic Standard</b>		<b>2020 Indiana Academic Standard</b>	
<b>Domain: National Economic Performance</b>		<b>Domain: National Economic Performance</b>	
<b>Number</b>	<b>Text</b>	<b>Number</b>	<b>Text</b>
<b>E.5.1</b>	Explain measures of a country's economic performance such as gross domestic product (GDP), unemployment, and inflation.	<b>E.5.1</b>	Explain measures of a country's economic performance such as gross domestic product (GDP), unemployment, and inflation.
<b>E.5.2</b>	Recognize that a country's overall level of income, employment, and prices are determined by rational spending and production decisions of households, firms, and government.	<b>E.5.2</b>	Recognize that a country's overall level of income, employment, and prices is determined by rational spending and production decisions of households, firms, and government.
<b>E.5.3</b>	Explain the limitations of using GDP to measure economic welfare.	<b>E.5.3</b>	Explain the limitations of using GDP to measure economic welfare.
<b>E.5.4</b>	Identify the different causes of inflation (i.e., cost-push and demand-pull), and explain the impact of inflation on economic decisions. (E)	<b>E.5.4</b>	Identify the different causes of inflation (including cost-push and demand-pull) and explain the impact of inflation on economic decisions.
		<b>E.5.5</b>	Explain and illustrate the impact of changes in aggregate supply and aggregate demand.

2023-2020 Indiana Academics Standards Correlation Guide: Economics

<b>E.5.5</b>	Explain the causes and effects of business cycles in a market economy.	<b>E.5.6</b>	Explain the causes and effects of business cycles in a market economy.
<b>E.5.6</b>	Explain frictional, structural, cyclical, and seasonal unemployment, and analyze the impact of unemployment.	<b>E.5.7</b>	Explain frictional, structural, cyclical, and seasonal unemployment and analyze the impact of unemployment.
<b>2023 Indiana Academic Standard</b>		<b>2020 Indiana Academic Standard</b>	
<b>Domain: Money and the Role of Financial Institutions</b>		<b>Domain: Money and the Role of Financial Institutions</b>	
<b>Number</b>	<b>Text</b>	<b>Number</b>	<b>Text</b>
<b>E.6.1</b>	Explain the basic functions of money.	<b>E.6.1</b>	Explain the basic functions of money.
		<b>E.6.2</b>	Identify the composition of the money supply of the United States.
<b>E.6.2</b>	Explain the role financial institutions play among savers, borrowers, and investors. (E)	<b>E.6.3</b>	Explain the role financial institutions play among savers, borrowers, and investors.
<b>E.6.3</b>	Demonstrate how banks create money through the principle of fractional reserve banking.	<b>E.6.4</b>	Demonstrate how banks create money through the principle of fractional reserve banking.
<b>E.6.4</b>	Describe the structure and functions of the Federal Reserve System. (E)	<b>E.6.5</b>	Describe the structure and functions of the Federal Reserve System.
<b>E.6.5</b>	Explain how interest rates act as an incentive for savers and borrowers. (E)	<b>E.6.6</b>	Explain how interest rates act as an incentive for savers and borrowers.
<b>E.6.6</b>	Compare and contrast different types of financial investments. (E)	<b>E.6.7</b>	Compare and contrast different types of financial investments.
<b>E.6.7</b>	Demonstrate how supply and demand determine equilibrium price and quantity in the financial markets.	<b>E.6.8</b>	Demonstrate how supply and demand determine equilibrium price and quantity in the financial markets.

2023-2020 Indiana Academics Standards Correlation Guide: Economics

2023 Indiana Academic Standard		2020 Indiana Academic Standard	
Domain: Economic Stabilization		Domain: Economic Stabilization	
Number	Text	Number	Text
<b>E.7.1</b>	Define and explain fiscal and monetary policy. (E)	<b>E.7.1</b>	Define and explain fiscal and monetary policy.
<b>E.7.2</b>	Explain the tools of fiscal and monetary policy. (E)	<b>E.7.2</b>	Explain the tools of fiscal and monetary policy.
<b>E.7.3</b>	Analyze how the government uses fiscal policy to promote price stability, full employment, and economic growth.	<b>E.7.3</b>	Analyze how the government uses fiscal policy to promote price stability, full employment, and economic growth.
<b>E.7.4</b>	Explain how the use of fiscal policy affects budget deficits or surpluses and the national debt.	<b>E.7.4</b>	Explain how the use of fiscal policy affects budget deficits or surpluses and the national debt.
<b>E.7.5</b>	Analyze how the Federal Reserve uses monetary policy to promote price stability, full employment, and economic growth. (E)	<b>E.7.5</b>	Analyze how the Federal Reserve uses monetary policy to promote price stability, full employment, and economic growth.
		<b>E.7.6</b>	Compare and contrast the major macroeconomic theories such as Keynesian, Neoclassical, and Monetarist and evaluate how they influence fiscal and monetary policy.

2023-2020 Indiana Academics Standards Correlation Guide: Economics

2023 Indiana Academic Standard		2020 Indiana Academic Standard	
Domain: Trade		Domain: Trade	
Number	Text	Number	Text
		<b>E.8.1</b>	Explain that most trade occurs because producers have a comparative advantage (rather than an absolute advantage) in the production of a good or service.
		<b>E.8.2</b>	Explain the benefits of trade among households and countries.
		<b>E.8.3</b>	Explain the difference between balance of trade and balance of payments.
<b>E.8.1</b>	Define and explain the impact of trade barriers, such as quotas and tariffs, and analyze why countries erect them.	<b>E.8.4</b>	Define and explain the impact of trade barriers, such as quotas and tariffs, and analyze why countries erect them.
<b>E.8.2</b>	Compare and contrast the arguments for and against free trade.	<b>E.8.5</b>	Compare and contrast the arguments for and against free trade.
		<b>E.8.6</b>	Explain how changes in exchange rates affect the value of imports and exports.