GRADE 5

MICROECONOMICS

WHY EVERY CHILD SHOULD LEARN ECON



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Preface How to use this workbook:

Go in order: Similar to most other classes, going in order will make it easier to understand the concepts (hard to understand most things in economics without knowing the basics such as demand and supply first)

To fully utilize this workbook, read

through each page, make sure you (teachers and students) understand the material before moving on and do all of the activities!

Most importantly, have fun! Learning about economics is really useful and *in my slightly biased opinion* interesting, and it is a really good way to learn about how the world works! Economics is the study of how people make choices to satisfy their wants and needs with limited resources. It explores topics like how goods and services are produced, distributed, and consumed.

Economics helps us understand concepts like supply and demand, scarcity, and how individuals, businesses, and governments make decisions to allocate resources efficiently. It also examines how economic systems function and their impact on society.

In simple terms, economics helps us make sense of how money, resources, and choices affect our everyday lives and the world around us. **Unit 1: What is Economics? Activity 1**

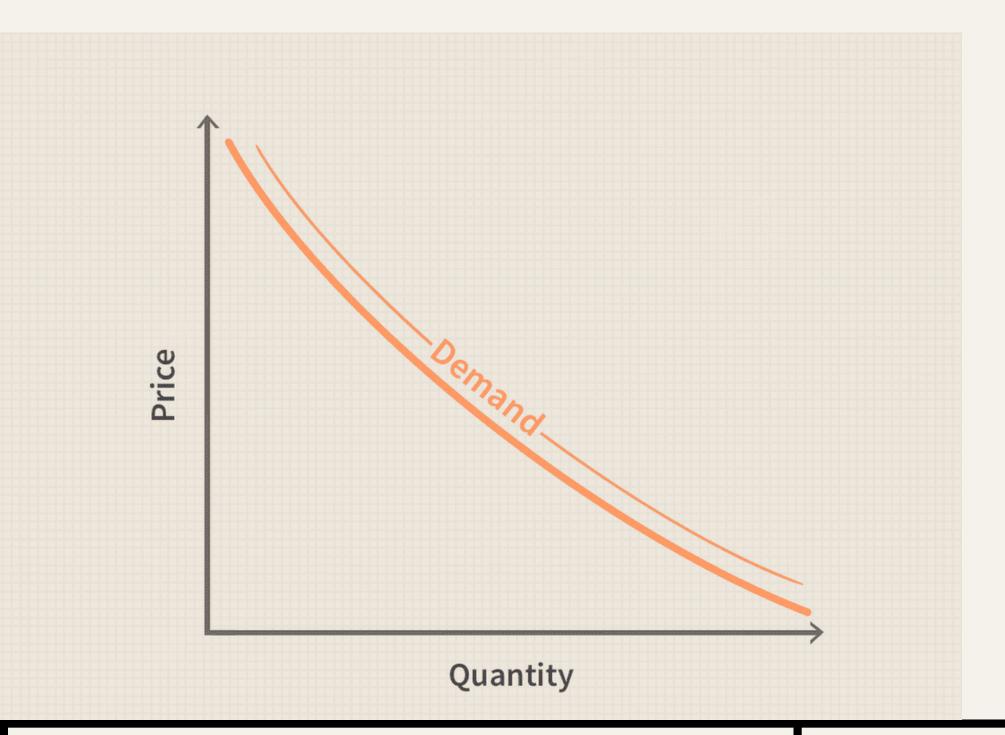
Give a 1-2 sentence summary of what economics is:

Give your own example of a

role economics plays in your life:

What is Demand?

A consumer's willingness + ability to buy a good or service at a certain price level



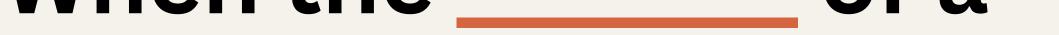
LAW OF DEMAND: WHEN THE PRICE OF A PRODUCT GOES UP, THE QUANTITY DEMANDED WILL GO DOWN

1. What is Demand? A consumer's

to buy a good or service at a certain level

2. What is the Law of Demand?

When the

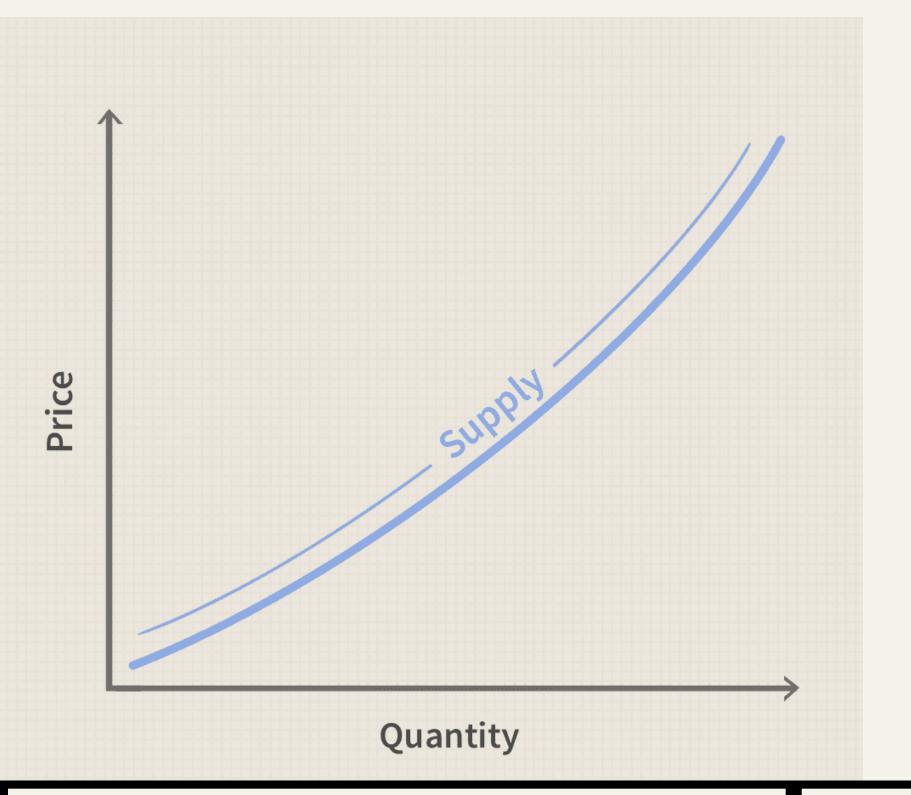


goes up, the

will go down

3. What is the relationship between demand and price?

What is Supply? A producers's willingness + ability to sell a good or service at a certain price level



LAW OF SUPPLY: WHEN THE PRICE OF A PRODUCT GOES UP, THE QUANTITY SUPPLIED WILL GO DOWN

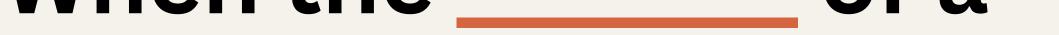
HENCE, SUPPLY AND PRICE ARE INVERSELY PROPORTIONAL

1. What is Supply? A consumer's

to sell a good or service at a certain level

2. What is the Law of Supply?

When the



goes up, the

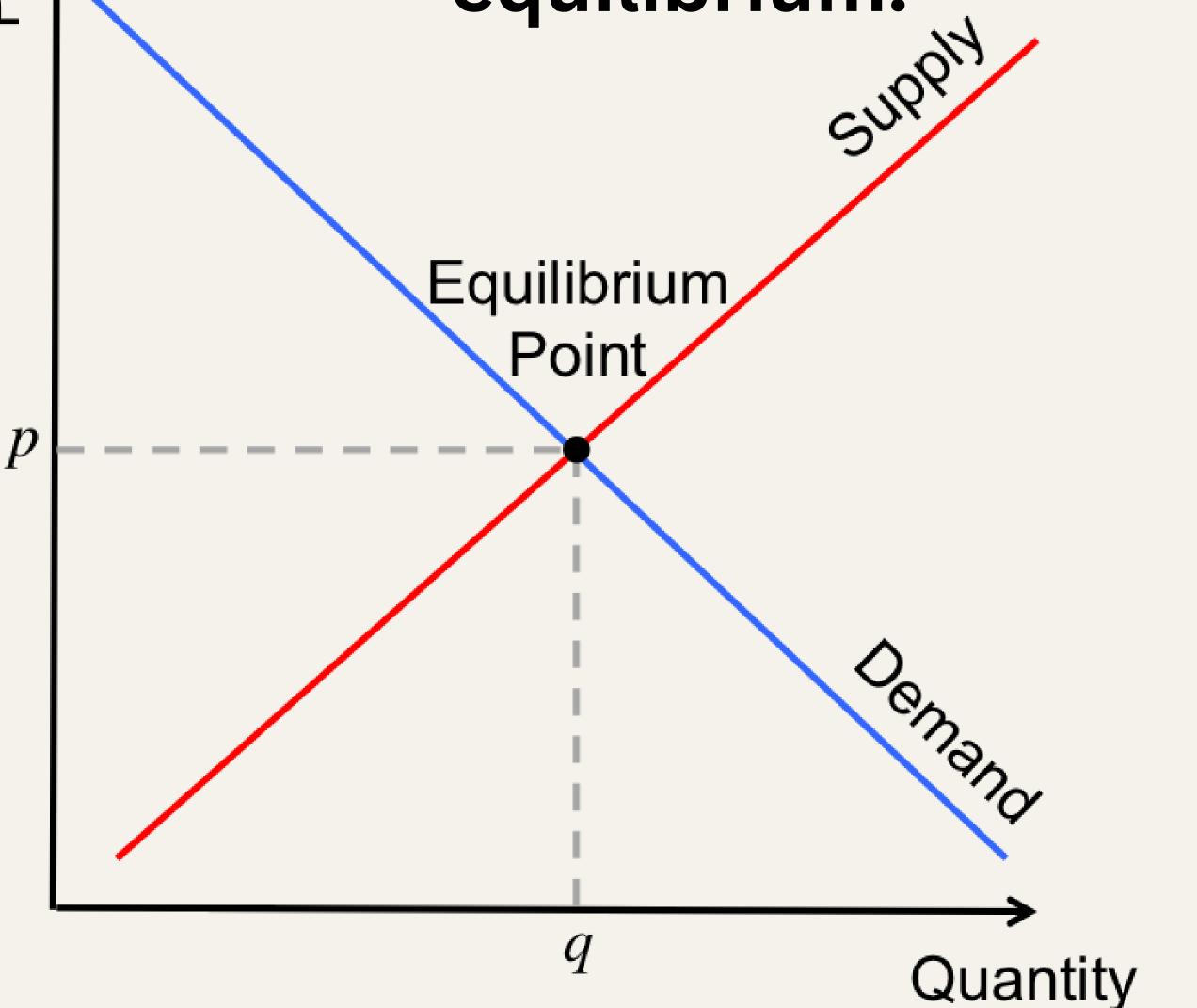
will go down

3. What is the relationship between supply and price?

Price

What is Market Equilibrium?

Point where the supply and demand curve intersects and where buyers and sellers agree. If a market is in disequilibrium it will naturally "move back" to equilibrium.



Draw a demand and supply graph showing the equilibrium point:

What is Opportunity Cost?

How much of another good, service, or activity must be given up in order to produce or pusure another good or activity

Alternative NOT CHOSEN

Alternative CHOSEN

Opportunity Cost

Would earn





1 Hour Partying

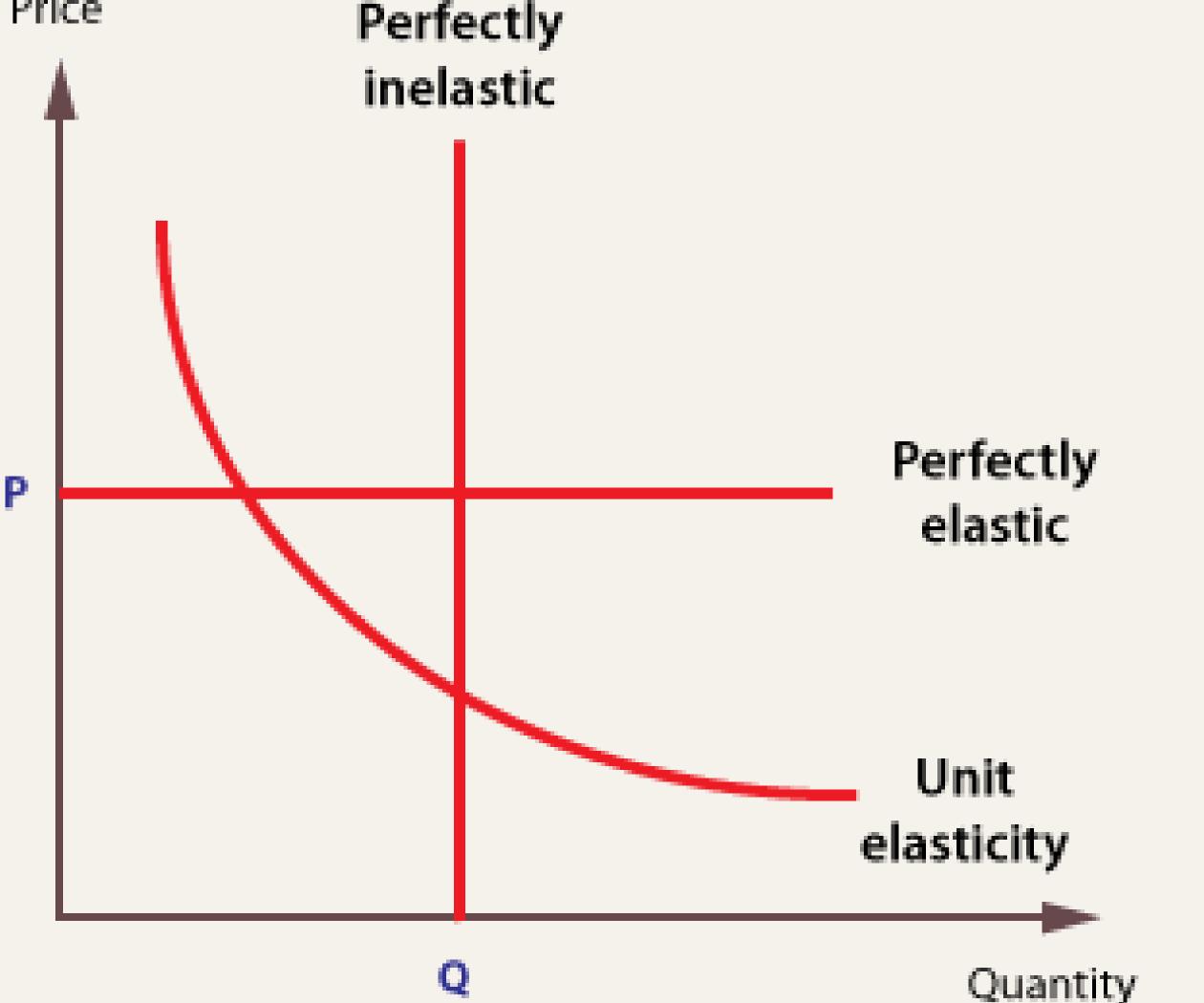


The Opportunity Cost of 1 Hour Partying

Come up with your own example/scenario to describe how opportunity cost is present in your daily lives:

What is Price **Elasticity?**

Measures the responsiveness of the quantity demaded or supplied of a good to a change in its price



Draw a picture(s)/graph(s) showing the different types of elasticity:

Unit 3: Market Structures What are the Types of Market Structures?

- Perfect competition: Many firms, freedom of entry, homogeneous product, normal profit.
- **Monopoly:** One firm dominates the market, barriers to entry.
- **Oligopoly:** An industry dominated by a few firms.
- Monopolistic competition: No barriers to entry, firms have differentiated products, likelihood of normal profits in the long term.
- **Duopoly:** Where two firms dominate the market.

Unit 4: Money and Banking

What is Money?

Money is a medium of exchange; it allows people and businesses to obtain what they need to live and thrive.

Bartering was one way that people exchanged goods for other goods before money was created. **Unit 4: Money and Banking Activity 2**

Discuss: How do you use money in your daily life? Does having more or less affect the way you spend it?

Discuss: How do you think consumers having more/less money affect producers of goods?

Unit 4: Money and Banking

What is the Role of Banks?

To take in funds—called deposits—from those with money, pool them, and lend them to those who need funds.

Banks are intermediaries between depositors (who lend money to the bank) and borrowers (to whom the bank lends money).

Unit 4: Money and Banking

What is the Difference Between Saving and **Spending?** Saving is when you keep some money for later, like for something special or emergencies, while spending

is when you use your money to buy things you want or need right now.

Saving helps you plan for the future, while spending is using your money in the present.

Unit 4: Money and Banking Activity 3

Discuss: How do you use money in your daily life? Do you use it a lot or do you save it?

Discuss: If you were given 1 million dollars, would you save it or spend it? If you were given 10 dollars, would you save it or spend it? Explain why you would save/spend.