

MICHIGAN TEST FOR TEACHER CERTIFICATION (MTTC)

TEST OBJECTIVES FIELD 007: ECONOMICS

Subarea	Approximate Percentage of Questions on Test
Individual and Household Economics	20%
Business Economics	20%
Macroeconomics and International Economics	20%
History, Geography, and Political Science Perspectives	20%
Inquiry, Information Processing, and Issue Analysis	20%

INDIVIDUAL AND HOUSEHOLD ECONOMICS

Understand basic principles and concepts relating to individual and household economics.

Includes defining fundamental economics terms (e.g., opportunity costs, disposable income), describing basic economic concepts (e.g., scarcity, demand), and analyzing fundamental principles of personal and household finance (e.g., saving, investing, risk management).

Understand how scarcity and choice affect personal financial decisions.

Includes analyzing the decision-making process, recognizing opportunity costs in a given situation, evaluating the reliability of financial information, developing personal financial plans and goals, analyzing career opportunities, and choosing among various personal financial options.

Understand how scarcity and choice affect consumer decisions regarding the purchase, use, and disposal of goods and services and affect the economic well-being of individuals and society.

Includes analyzing purchasing options, identifying consumer protection laws and agencies, analyzing consumer purchasing trends, describing types and techniques of consumer marketing and advertising, evaluating sources of consumer information, and analyzing the effects on individuals and society of various consumer choices (e.g., health care, housing, energy use, recycling).

TEST OBJECTIVES
FIELD 007: ECONOMICS

BUSINESS ECONOMICS

Understand basic principles and concepts relating to business economics.

Includes identifying characteristics of various types of business organization (e.g., partnership, corporation), defining fundamental business economics terms (e.g., scarcity, supply, diminishing returns, marginal costs), analyzing the business cycle, describing business functions (e.g., marketing, distribution), and recognizing the role of business in the U.S. and Michigan economies.

Understand how businesses confront scarcity and choice when organizing, producing, and using resources.

Includes analyzing factors and decisions relating to how businesses choose what to produce, how to produce, and for whom to produce goods and services; analyzing organizational structures; recognizing quantitative decision-making methods used by business (e.g., cost-benefit analysis); analyzing factors of production; analyzing costs and revenue; and recognizing how businesses make optimizing decisions (e.g., profit maximization).

Understand issues and principles relating to how businesses interact with the marketplace.

Includes describing types and characteristics of market structure (e.g., monopolistic, oligopolistic), analyzing supply and demand, recognizing the function of prices in resource and product markets, describing ways businesses gather and analyze market data, and identifying factors that affect markets.

MACROECONOMICS AND INTERNATIONAL ECONOMICS

Understand basic principles and concepts relating to fiscal policy and how government decisions on taxation, spending, and regulation affect what is produced, how it is produced, and who receives the benefits of production.

Includes identifying different forms of taxation and their effects, analyzing major areas of government revenues and expenditures, recognizing the effects of surpluses and deficits, evaluating the economic consequences of government decisions and policies, analyzing ways in which fiscal policy can be applied to solve given problems (e.g., inflation, unemployment, national debt, GDP), and comparing governmental and free-market approaches to solving economic problems.

TEST OBJECTIVES
FIELD 007: ECONOMICS

Understand basic principles and concepts of money and banking.

Includes recognizing the components of monetary policy, describing the role of central banks, explaining the functions of money, and analyzing ways in which monetary policy can be applied to solve given problems (e.g., inflation, unemployment, GDP).

Understand how free-market and other economic systems facilitate the exchange, production, distribution, and consumption of goods and services.

Includes recognizing the major characteristics of different economic systems (e.g., market, command), analyzing the ways in which they influence societies, and evaluating their abilities to achieve particular goals (e.g., efficiency, equity, growth); and recognizing and comparing the relationships among government, labor, businesses, and households in the U.S. and other economies.

Understand principles and components of international economics and trade.

Includes recognizing economic relationships among various countries; analyzing the factors of production (e.g., labor) in the global economy; describing basic principles of free trade and protectionism among countries (e.g., comparative advantage, trade barriers); analyzing the historical development of trade; recognizing the roles of governments, businesses, and individuals in international trade; and describing how trade generates economic benefits and challenges.

HISTORY, GEOGRAPHY, AND POLITICAL SCIENCE PERSPECTIVES

Understand major eras and events in U.S. history in order to examine relationships and explain cause and effect.

Includes identifying major figures and events in U.S. history; recognizing the chronological sequence of major eras in U.S. history; examining relationships and causes and effects of key events in U.S. history; and describing how women, diverse populations, and people with disabilities have contributed to and been affected by the U.S. economic system.

Understand the five themes of geography and how they apply to economics.

Includes relating economics principles and contexts to the five fundamental themes of geography: location (e.g., identifying major land masses on a map), place (e.g., describing the natural and cultural features of an area), human-environment interaction (e.g., analyzing the influence of the environment on human settlement patterns), movement (e.g., analyzing the migration of people or diffusion of ideas from one place to another), and region (e.g., identifying unifying characteristics and boundaries of a region).

TEST OBJECTIVES
FIELD 007: ECONOMICS

Understand the structure and function of the U.S. government, core democratic values, and the rights and responsibilities of U.S. citizens.

Includes describing the structure and function of the different branches of the U.S. government; explaining the origin and meaning of core democratic values expressed in the Declaration of Independence and U.S. Constitution; and recognizing the political, social, and economic rights and responsibilities of citizens.

INQUIRY, INFORMATION PROCESSING, AND ISSUE ANALYSIS

Apply methods for acquiring, interpreting, organizing, and presenting social science information from print and nonprint sources.

Includes recognizing the characteristics and uses of various electronic, print, and other sources of information; applying strategies and techniques for locating, interpreting, and citing information from various sources (e.g., journals, reference materials, the Internet); evaluating the validity of information from various sources; and applying strategies for organizing and presenting information using a variety of formats (e.g., outlines, graphic displays, electronic media).

Apply methods for conducting social science inquiries.

Includes designing experiments, formulating hypotheses, posing questions, gathering and analyzing information to test a hypothesis, recognizing variables, performing targeted research, drawing appropriate conclusions based upon evidence and results, designing and conducting surveys and focus groups, and applying methods for organizing and reporting results.

Apply methods for analyzing issues of public policy and concern.

Includes analyzing the positive and normative components of public policy issues, recognizing various economic perspectives on a given issue, evaluating potential courses of action, identifying reasonable arguments related to an issue, identifying responsible conduct for citizens, and recognizing the effects of individual or group actions on other people.