



# MARKETING

ECONOMICS WORKBOOK

**Name:** \_\_\_\_\_

**Hour:** \_\_\_\_\_ **Date:** \_\_\_\_\_



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## THE NATURE OF ECONOMICS

**Economics** is the study of how people allocate their limited resources to satisfy their unlimited wants. Economics is a social science that studies the production, distribution, and consumption of goods and services. An economy consists of a set of people or individuals and their environment. Each individual in an economy has an economic problem. An economic problem arises because each individual has unique desires (defined as experiences he or she would like to have) and a limited set of assets (consisting of human capital, possessions, and time). This limitation prevents the individual from ever satisfying all his desires and dictates his behavior.

### RELATED VOCABULARY

**Microeconomics** –is a branch of economics that studies how individuals, households and firms make decisions to allocate limited resources, typically in markets where goods or services are being bought and sold.

**Macroeconomics**– involves the "sum total of economic activity, dealing with the issues of growth, inflation and unemployment, and with national economic policies relating to these issues and the effects of government actions on them..

**Resources**– all things used in producing goods and services to satisfy people’s wants.

*An assumption of economics is that individuals act to make themselves as well off as possible. This is also known as the **rationality assumption** – individuals do not intentionally make decisions that would leave themselves worse off. This is measured through the term utility.*

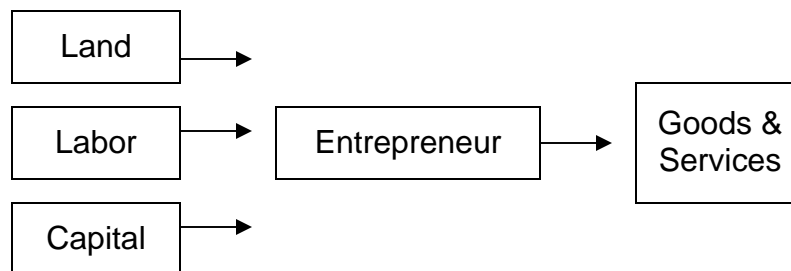
Type of Utility	Defined	Example
<b>Form</b>	Results from changes in tangible parts of a product or service.	Using trees to create paper.
<b>Time</b>	Results from making the product or service available when the customer wants it.	A bank that is open during the evenings.
<b>Place</b>	Making products and services available where the consumer wants them.	Selling products online.
<b>Possession</b>	Results from the affordability of the product or service.	Payment options such as accepting credit cards.
<b>Information</b>	Results from the communication of the product or service.	Labeling ingredients in a jar of soup.

**Goods** – physical and tangible products.

**Services** – mental or physical labor purchased by consumers, intangible.

**Factors of Production** – is the technical term used for economic resources. There are four categories that comprise the factors of production:

1. **Land** – natural resources that are available from nature.
2. **Labor** – productive contributions of humans who can work, involving physical and mental activities.
3. **Physical Capital** – all manufactured resources including buildings, equipment, machines and improvements to land that is used for production.
4. **Entrepreneurship** – involves human resources that perform the functions of raising capital, organizing, managing, assembling other factors of production, and making basic business policy decisions. The entrepreneur is a risk taker.



**Wants** – are unlimited, they include all material desires and all nonmaterial desires.

**Scarcity** – a situation in which the ingredients for producing the things that people desire are insufficient to satisfy wants. Scarcity means that we do not ever have enough of everything to satisfy our every desire. Our wants exceed what can be produced with the limited resources and time that nature makes available.

*Our inability to satisfy all our wants is called **scarcity**. The poor and the rich alike face scarcity. A teenager wants an energy drink that costs \$4.00 and two cookies that are \$2.00 each, but only has four dollars in his pocket. He faces scarcity. A millionaire wants to spend the weekend playing tennis and spend the weekend in the office following up on sales calls. She faces scarcity.*

**Incentives** –are rewards for engaging in a particular activity.

**Opportunity cost** – the highest-valued next best alternative that must be sacrificed to obtain something or satisfy a want. (What will it cost you to satisfy your wants and needs, in terms of money, time and resources?)

**Production**– includes all of the activities required to convert natural resources into finished goods and services for consumption.

**Guns or Butter**–is the classic example of the production possibility frontier. It models the relationship between a nation's investment in defense and civilian goods. In this model, a nation has to choose between two options when spending its finite resources. It can buy either guns or butter, or a combination of both. This can be seen as an analogy for choices

between defense and civilian spending in more complex economies. The "guns or butter" model is generally used as a simplification of national spending as a part of GDP. The nation will have to decide which level of guns and butter best fulfill its needs, with its choice being partly influenced by the military spending and military stance of potential opponents.

### **GUIDING QUESTIONS**

1. Economics is the study of how people
  - A. calculate their income tax.
  - B. choose from limited resources to meet their needs.
  - C. respond to war and drought.
  - D. gain knowledge and skills form study and experience.
  
2. The resources used to make goods and services are called
  - A. factors of production.
  - B. gross national product.
  - C. production possibilities frontier.
  - D. opportunity cost.
  
3. Entrepreneurs are people who
  - A. help settle labor disputes.
  - B. work on the floor of the stock market exchange.
  - C. put together land, labor and capital to create new businesses.
  - D. produce all of the country's guns and butter..
  
4. Countries often have to chose between producing military or consumer goods, a trade-off economist call
  - A. export or import.
  - B. a free market economy.
  - C. farm goods or factory goods.
  - D. guns or butter.
  
5. Which type of economic utility results from changes in the tangible parts of a product or service?
  - A. Time Utility
  - B. Possession Utility
  - C. Place Utility
  - D. Form Utility

### THINK ABOUT IT – WRITE ABOUT IT

Bill Gates gives away a lot of money: \$200 million to put computers in libraries that can't afford them and \$135 million to universities, cancer research, a children's hospital, and the Seattle Symphony. Does Bill Gates experience scarcity? Are his decisions rational? In making these donations, might Bill Gates have any benefits for his actions?

### REAL WORLD CONNECTIONS

1. **Role-play** - You are the manager of a medium-size appliance store and want to increase sales in your store. Consider the different types of economic utility. Prepare a two-minute presentation you would deliver to the store owner in which you describe at least three ways you can improve economic utility to accomplish your goal.
2. **Creative Writing** - Compose either a jingle or script for an advertisement for a local business, focusing on one type of economic utility— form, time, place, or possession.
3. **Geography**- Use the Internet to locate and print a map of your neighborhood or community. On the map, mark as many locations of grocery stores/supermarkets as you can find. Then write an explanation of which store you would most likely patronize if place utility was the most important consideration. What about form utility? Possession utility? Time Utility?
4. **Visual Art** - Create a picture, poster, or other visual representation of macroeconomics and microeconomics.

## THE CONCEPT OF PRIVATE ENTERPRISE

The United States has many of the characteristics of a free economy. The U.S. economic system is often called a private enterprise or free enterprise economy. Private enterprise is based on independent decisions by businesses and consumers with only a limited government role regulating those relationships.

### RELATED VOCABULARY

**Capitalism (Free Enterprise)** – refers to an economic system in which the means of production are mostly privately owned and operated for profit, and in which distribution, production and pricing of goods and services are determined in a largely free market.

<b>Market Economy</b> (No Government)	<b>Mixed Economy</b> (Some Government)	<b>Command Economy</b> (Intense Government)
<b>What is produced?</b> Consumers decide by what they purchase.	<b>What is produced?</b> Some intervention by government and some decisions by the market.	<b>What to produce?</b> A dictator or government decides what to produce.
<b>How to produce?</b> Businesses decide how to produce.	<b>How to produce?</b> Businesses decide with some intervention by government.	<b>How to produce?</b> The government decides.
<b>Produced for whom?</b> The consumer.	<b>Produced for whom?</b> Consumers with some decision by the government.	<b>Produced for whom?</b> The government decides who gets the production.

	<b>Free Enterprise (Market)</b>	<b>Mixed</b>	<b>Command</b>
<b>Business Ownership</b>	People own their own business. Some government intervention.	Government owns important businesses, people own businesses too.	Government owns all.

	Free Enterprise (Market)	Mixed	Command
Consumer Products	Large variety. Prices determined in the marketplace.	Large variety. Prices determined in the marketplace. Low for the necessities.	Very few made available. Prices low for necessities.
Employment	Individuals are free to decide where to work	Individuals are free to decide where to work	Government decides.
Private Property	Free to own all private property.	Free to own all private property.	Government owns all property.

### **GUIDING QUESTIONS**

- Which of these is a key economic question faced by countries?
  - How big should the army be?
  - How much money should be raised in taxes?
  - How many schools should be built?
  - What goods and services should be produced?
- Competition and self interest are two important forces in
  - free market economies.
  - traditional economies.
  - centrally planned economies.
  - communist economies.
- Which economic goals are best promoted by the free market?
  - Efficiency and Freedom
  - Efficiency and Equity
  - Innovation and Security
  - Freedom and Security
- Which is true of the government in a Command economy?
  - It builds every house in every village.
  - It encourages workers to innovate.
  - It makes all important economic decisions.
  - It places much emphasis on the production of consumer goods.
- Which of the following statements is true about a free market economy?
  - Taxes help prices communicate costs and benefits to producers and consumers.
  - The strength of a market system is that it tends to distribute resources evenly across consumers.
  - Market participants act as if guided by an invisible hand to produce outcomes that maximize social welfare.
  - With a large enough computer, central planners could guide production more efficiently than markets

**THINK ABOUT IT – WRITE ABOUT IT**

Prepare a one-page paper describing a basic economic problem and include an example of the problem. Explain how this problem would be handled under two different economic systems (*Market, Mixed and Command*).

**REAL WORLD CONNECTIONS**

Place the following countries across the continuum based on the type of economy.

- |              |                   |
|--------------|-------------------|
| 1. Ireland   | 10. United States |
| 2. India     | 11. Brazil        |
| 3. Egypt     | 12. Kenya         |
| 4. China     | 13. France        |
| 5. Singapore | 14. Germany       |
| 6. Japan     | 15. England       |
| 7. Russia    | 16. Sudan         |
| 8. Italy     | 17. Peru          |
| 9. Mexico    | 18. Canada        |



## THE CONCEPT OF A MARKET ECONOMY

Businesses' responses to consumer demands are strongly influenced by the competitive structure of the industries they are in and the markets they serve. The type of competition, or in some extreme cases the lack of competition, determines how much control businesses have over pricing and what strategies they should follow to obtain the greatest long-term profits.

### RELATED VOCABULARY

**Competition** - The struggle between companies for customers. Competition must exist in a free marketplace.

**Profit and Risk** - In a Free Enterprise System we have the right to earn money from conducting business; that is profit. With that right, however, is the right of potential loss. We have the potential of losing money.

**Pure Competition** – the market consists of many buyers and sellers trading in a uniform community.

**Monopoly** – a firm that has great control over the price of a good.

**Oligopoly** – a market in which there are very few sellers.

### Comparing Market Structures

Market Structure	Number of Sellers	Unrestricted Entry and Exit	Ability to Set Price	Long-Run Economic Profits Possible	Product Differentiation	Examples
Pure Competition	Numerous	Yes	None	No	None	Agriculture
Monopoly	Many	Yes	Some	No	Considerable	Soap, Toothpaste
Oligopoly	Few	Partial	Some	Yes	Frequent	Video Game consoles
Pure Monopoly	One	No	Considerable	Yes	Product is unique	Local telephone company, some electric companies

## THE CONCEPT OF SUPPLY AND DEMAND

In economics, supply and demand describes market relations between prospective sellers and buyers of a good. The supply and demand model determines price and quantity sold in the market

### RELATED VOCABULARY

**Demand** – how much of a good or service people will purchase.

**Supply** – how much of a good or service are available.

**Law of demand**- when prices increases, demand decreases; when prices decrease, demand increases. For example, if the price of coffee is \$2.00 a cup, you would be willing to buy 3 cups a week. If the price of coffee is \$.50 a cup, you would be willing to buy 10 cups a week.

**Law of supply** – at higher prices, a larger supply will generally be supplied than at lower prices. For example, when the price of digital cameras is \$50 two companies are willing to supply cameras (two cameras are supplied). When the price rises to \$500 ten companies are willing to supply cameras (ten cameras are supplied).

**Equilibrium** - The point at which supply and demand meet; this point is used to establish the market price.

**Shortage** – a situation in which quantity demanded is greater than quantity supplied.  
(*Shortages and scarcity is not the same thing.*)

**Surplus** – a situation in which the amount supplied is greater than the quantity demanded.

**Elastic Demand** – a small change in price results in a large change in quantity demanded or supplied.

**Inelastic Demand** – a large change in price results in a relatively small change in quantity demanded or supplied (insulin).

**Demand Curve** – a graphic representation of a demand schedule.

**Substitute Goods** – these items function as replacements for the original good.

## GUIDING QUESTIONS

1. The law of demand says
  - A. the higher the price, the more consumers will buy.
  - B. the lower the price, the less consumers will buy.
  - C. the lower the price, the more consumers will buy.
  - D. the lower the price, the more consumers will substitute.
  
2. A drop in price will
  - A. increase the demand for goods.
  - B. decrease the demand for goods.
  - C. not affect the demand for goods.
  - D. not affect the law of demand.
  
3. Which of the following describes the substitution effect?
  - A. As the price of a good falls, people will substitute other products.
  - B. As the price of a good rises, people will substitute other products.
  - C. As demand rises, people will substitute other products.
  - D. As demand falls, people will substitute other products.
  
4. A demand curve illustrates
  - A. the differences in price charged by different stores.
  - B. the quantities demanded at each price by consumers.
  - C. the differences in demand for different products.
  - D. the products which are most in demand
  
5. For most normal goods, a rise in a person's income means that there will be
  - A. a substitution effect.
  - B. a rise in prices.
  - C. an increase in demand.
  - D. a decrease in demand.
  
6. If you keep buying despite a price increase, your demand is
  - A. elastic.
  - B. strong.
  - C. normal.
  - D. inelastic.
  
7. Which of the following is an example of a good with inelastic demand?
  - A. life-saving medicine
  - B. television sets
  - C. computers
  - D. a particular brand of chewing gum

### PRACTICE GRAPHING

1. Create a demand graph using the following table of values:

PRICE	QUANTITY
\$10	500
\$20	450
\$30	400
\$40	350
\$50	300
\$60	250
\$70	200



2. Create a supply graph using the following table of values:

PRICE	QUANTITY
\$10	200
\$20	250
\$30	300
\$40	350
\$50	400
\$60	450
\$70	500



3. If you set the price at \$30, how many products would be in demand?

4. Is this an example of elastic or inelastic demand? Explain.

**THINK ABOUT IT – WRITE ABOUT IT**

You have been an economist for the United Nations for the past 15 years. Now, in the year 2028, a large industrial colony is being developed on the moon. It will be started by 2,000 people initially, and there are plans to expand it until nearly one million people are living in the colony by 2050. The United Nations is studying the best form of economic system to develop for the colony.

Prepare a two-page report in which you compare three types of economies—*Free-Enterprise*, *Mixed*, and *Command*. Discuss the advantages and disadvantages of each for consumers, businesses, and the government. Make a recommendation on the most appropriate system for the colony. Consider factors like resources available, supply and demand, the amount of competition.

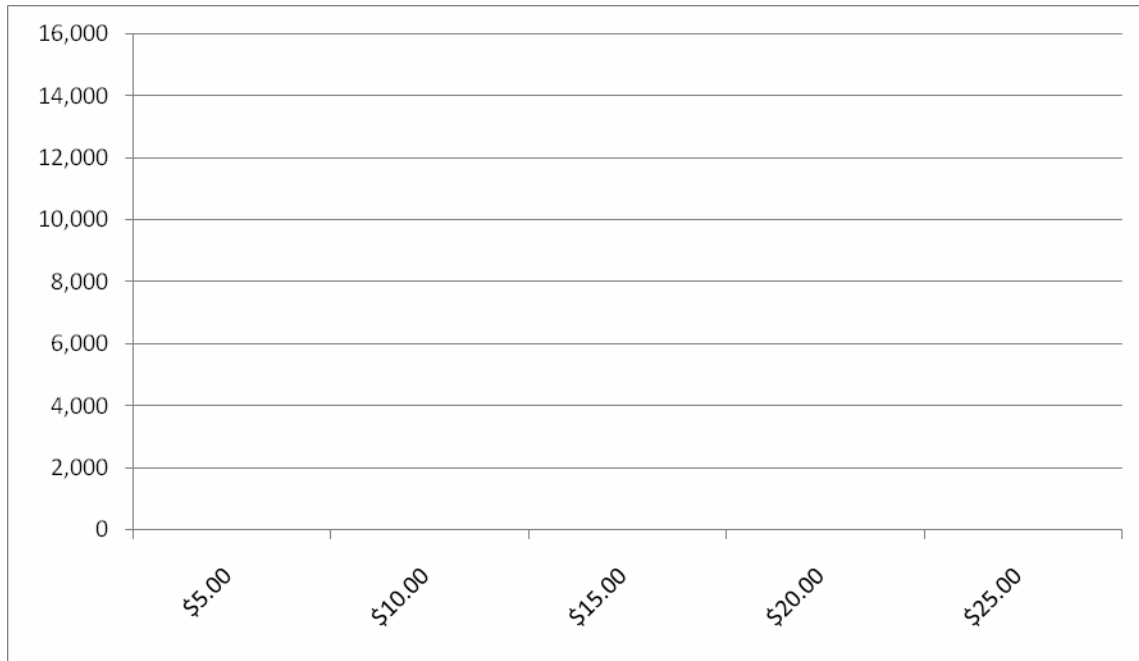
**REAL WORLD CONNECTIONS**

**Role Play** - You work for a party planning company that has declining sales and profits. Consider the factors that affect the demand for your services. Based on these factors, develop a plan to improve your business. Write a two-page report describing possible reasons for the decline in business and your recommendations to increase demand for your services.

**ACTIVITY : SUPPLY AND DEMAND**

Directions: Using the data below, construct a supply curve and demand curve on the graph. Circle the point on the graph that identifies the market price (equilibrium). Estimate the market price and quantity.

<u>Price</u>	<u>Quantity Demanded</u>	<u>Quantity Supplied</u>
\$5.00	12,000	2,000
\$10.00	10,000	5,000
\$15.00	8,000	9,000
\$20.00	5,000	11,000
\$25.00	1,000	14,000



Based on equilibrium, what would you set the market price at? \_\_\_\_\_

At that price, how many products are you willing to make? \_\_\_\_\_

## ECONOMIC INDICATORS AND TRENDS

Economists use various indicators and trends to understand the state of economies nationally as well as globally.

### RELATED VOCABULARY

**Gross Domestic Product** - the measure of goods and services produced using labor and resources within the borders of a nation.

**Gross National Product** - the measure of goods and services produced using labor and resources of a nation (regardless of borders).

**Inflation** - Rising prices. A low inflation (1-5%) is good because it shows stability. Double digit is bad.

**CPI** - the Consumer Price Index measures the change in price of some 400 goods over time.

**Unemployment Rate** - the jobless rate of a nation.

**Poverty threshold** - A person is "poor" or "in poverty" if they reside in a household with income below the U.S. poverty threshold, as defined by the U.S. Office of Management and Budget. Poverty thresholds differ by family size and are updated annually for inflation using the Consumer Price Index.

**Productivity** - The output per worker hour that is measured over time; is the efficiency with which we convert inputs into outputs. Determined in part by natural resources; for example it is easier to grow wheat in Kansas than in Vermont. In a modern economy productivity is more affected by technology, specialization, and skills, all of which are a function of human capital.

**Business Cycle** - Cycles of economic growth:

- Prosperity – point in the business cycle when the economy flourishes.
- Recession – a period of economic slowdown that last for two quarters or six months.
- Depression – a period of prolonged recession.
- Recovery – the increase in the overall economic activity.



## GUIDING QUESTIONS

1. Which statement describes full employment?
    - A. Everybody who wants a job has a job.
    - B. There is no unemployment at all.
    - C. There is no cyclical unemployment.
    - D. There is no structural unemployment.
  
  2. A general increase in prices is called
    - A. inflation.
    - B. purchasing power.
    - C. the CPI.
    - D. a price index.
  
  3. Inflation reduces people's purchasing power because
    - A. the same amount of money buys more goods and services.
    - B. the same amount of money buys fewer goods and services.
    - C. the market basket has to be changed every year.
    - D. there is not enough money in the economy.
  
  4. What is the poverty threshold?
    - A. the income level below that which is needed to support a family
    - B. the income of the lowest 20 percent of families
    - C. the percentage of people who live in poverty
    - D. the income needed to live in an inner city or rural area
  
  5. Which of the following statements describes income distribution in the United States?
    - A. Most people earn the same income.
    - B. The richest 20 percent of the population has about 20 percent of the national income.
    - C. The richest 20 percent of the population has a much greater share of income than the poorest 20 percent.
    - D. The richest 20 percent of the population has slightly more income than the poorest 20 percent.
  
  6. What is a business cycle?
    - A. a period of increased economic growth
    - B. a period of economic growth followed by economic contraction
    - C. the amount of time it takes a business to produce its products
    - D. a dangerous time for all businesses
  
  7. What is a recession?
    - A. a period when real GDP falls for at least 6 months
    - B. a long and severe depression
    - C. a very mild and short expansion
    - D. a period of when the economy is neither expanding nor contracting
-

### THINK ABOUT IT – WRITE ABOUT IT

Write a paragraph explaining the relationship between inflation and unemployment to the business cycle.

### REAL WORLD CONNECTIONS

**Math** - A method to calculate a country's standard of living is to divide its GDP by its population. Use the Internet to determine the amount of the GDP for ten countries in the world and the population for each country. Use the information to calculate the standard of living for each country. Prepare a table that compares the GDP and standard of living rankings of the ten countries.

**Charts** – Create a chart that illustrates the U.S. business cycles from 1920 to the present.

**Research** – Research the interest rates for home mortgages for the past five years to determine trends and to study the effect those rates have had on the real estate market.

## INTERNATIONAL TRADE

Businesses often try to sell their products or services in international markets when they run out of new customers in their home markets. Another reason for reaching out to customers in other countries is to try to match the competition from foreign firms that have entered their home markets. They hope to be able to satisfy a growing demand from foreign consumers for a greater variety of products.

### RELATED VOCABULARY

**Absolute Advantage** - When a nation has the natural resources to produce something cheaper than everyone else. (Example: China 80% of Worlds silk)

**Comparative Advantage** - The gain a nation earns by selling goods it can produce cheaper than other nations.

**Protectionism** – is the use of trade restrictions to protect a nation’s industries.

**Balance of Trade** - The difference between the amount a nation exports and imports.

- **Trade Surplus** – occurs when a nation exports more than it imports
- **Trade Deficit** – occurs when a nation imports more than it exports.

**Trade Barrier** - Steps to govern exports and imports:

- **Tariffs** - tax on imports
- **Quotas** - limits the quantity that can be imported
- **Embargoes** - a total ban on a specific good – stoppage of trade

**Trade Alliances** - Agreed upon guidelines for international trade. (Examples: WTO, NAFTA and EU.)

**Considerations** - International trade calls for many special considerations including:

- Cultural - language and customs
- Economic - currency exchange rates, cost of labor, Internet & telephone service reliability
- Political - nationalization of property, government stability

**Exchange Rate** – The value of one nation’s currency in relation to another.

- **Appreciation** – an increase in the value of currency
- **Depreciation** – an decrease in the value of currency

### GUIDING QUESTIONS

1. The most basic argument in favor of protectionism is that it
  - A. protects workers.
  - B. protects consumers.
  - C. defends nations against trade wars.
  - D. helps a country's currency appreciate.
2. Products or services purchased from another country are known as
  - A. Exports
  - B. Imports
  - C. Quotas
  - D. Joint Ventures
3. Which of the following is not one of the reasons for U.S. businesses to enter international markets?
  - A. Competition is becoming very intense in their home markets.
  - B. Foreign companies are entering U.S. markets to compete.
  - C. There is an increasing worldwide demand for consumer products.
  - D. U.S. markets are getting smaller and are no longer profitable.

### THINK ABOUT IT – WRITE ABOUT IT

Assume you are marketing a product or service to another country. Develop a specific marketing activity to market the product internationally. Select from the product list below:

- a. Large piece of equipment used for road construction
- b. Vitamins and mineral supplements for use by consumers
- c. Movies
- d. Fresh flowers
- e. Auto repair service

### REAL WORLD CONNECTIONS

1. **Government** - Use the Internet to identify one federal agency or office and one agency or office from your state that provides information and support for businesses seeking to become involved in international marketing. Based on your research, prepare a two- to three-paragraph description of each agency or office identifying the types of businesses they support, the services they provide, and contact information.
2. **Travel** – Consider ten different countries you would like to travel to and research the foreign exchange rates in comparison to the U.S. dollar. Prepare a chart that shows the exchange rate in currency for the selected countries.
3. **Role-play** - Your employer manufactures electric-powered scooters that have been very popular among U.S. teenagers and young adults as well as commuters. The company is deciding whether to begin selling the scooters internationally. Prepare a two-minute presentation with at least one chart or handout describing the advantages and disadvantages of international marketing for the company. Give your presentation to your teacher.

### **FREE-ENTERPRISE CUMULATIVE PROJECT**

It is time for you to demonstrate your understanding of economics. You have been hired as a fund-raising consultant for your school. Your job is to raise as much money for your class as you can by using sound economic principles. Your goal is to raise at least \$75 after subtracting the costs of your materials. Your group will only have \$20 worth of financial capital to accomplish this goal. **Any team that earns a one on the project will receive 20 extra credit points for each member of the team.**

Your success will be based upon your ability to create a profitable business and demonstrating your mastery of the key economic concepts involved in the successful completion of this task. Our focus for this project will be microeconomics.

#### **Group Roles and Job Description:**

- **Project Manager** – Team leader. Responsible for daily status report and keeping team organized and on task.
- **Production Manager** – lead the decision making in **how** to produce your product
- **Accountant** – lead the team by keeping the financial records for the group.
- **Economist** – it is their job to closely look at issues of supply and demand to decide price and the quantity to produce.
- **Marketing** –lead the team in deciding who would be willing to buy this item and how to best direct advertising to their target “market”.

**Grading Scale: \$75 = 1    \$50 = 2    \$25 = 3**

**In order to qualify for the grade above your team must have answered all of the questions below correctly and have the paperwork to verify it. Even if your team loses money or breaks even, if all of the questions are answered correctly your team will still receive a 3 for the project.**

Each day your team will be responsible for providing your teacher with a status report. This report must include what has been accomplished today and what your team needs to be working on for the next day. I prefer that this information is emailed to me each day. If that is not possible it must be neatly handwritten for me by the end of the period. Your attendance, participation and progress report is worth 10pts per day. The format for your emails will be provided to your project managers.

## ESSENTIAL QUESTIONS

**These are the essential questions that all group members must be able to answer.**

- 1. Economist:** What do you believe the equilibrium price and quantity of your product was? You must show me graphically using the actual numbers you accumulated while participating in this project.
- 2. Marketing Manager:** What general strategy are you going to use to attract potential buyers? Are you going to use free give-always? Where are you going to advertise? How are you going to convince buyers that they need your product? Is your market going to be Independence High School or people outside of school or both? Describe the demographics of your market: gender, income, age, occupation, education, geographic region. On what items do the people in your market spend their disposable income? Who is using the product? Why do they use the product? When do they use the product? How is the product used? Be sure to provide examples of any of the advertisements you created (videos, posters, flyers, etc.)
- 3. Production Manager:** What is the Law of Variable Proportions? At which stage of production was your group working? How do you know they were working at this stage (provide me with the numbers!)? What is diminishing marginal returns? Did your team ever experience this phenomena (prove it)?
- 4. Accountant:** How much money did your team actually make? How did you come up with this number? What were your fixed costs or overhead? What were your variable costs? What was your total cost? What were your marginal costs? Why? What was your groups break even point? How did you arrive at this?

**Directions:** After each class period the project manager will be responsible for emailing a status report to your teacher. Please get the teacher's email as part of this project. Please type the date and status report on the subject line of your email.

Keeping your team on task as well as completing your status report each day will earn your group 10 points per day. Failure to be on task or provide a status report will result in a 0 for the day.

### **Project Manager Status Report**

Team name: \_\_\_\_\_

Team member names (first and last) and their role: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Explain, in one short paragraph, what your group accomplished today. This requires all team members input on how they were working to accomplish their task each day.

In another paragraph, explain what your group needs to accomplish tomorrow. Again, each group member should be providing input on this, however it is up to

the project manager to prioritize the tasks and decide the best way to get each task done as efficiently as possible.

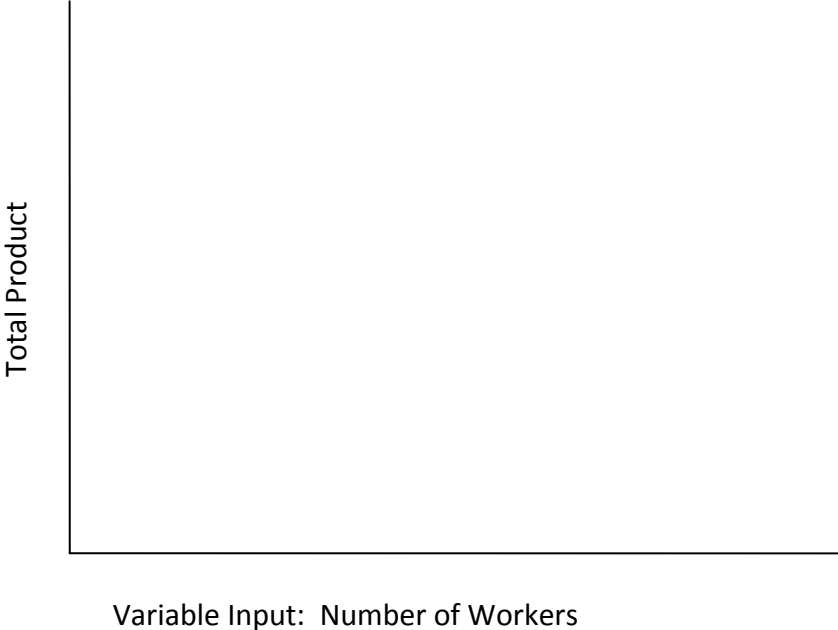
Your last paragraph needs to include any problems or issues your group is encountering. Make sure you propose, what you perceive to be, the best solution to the problem your group is facing.

Project Managers Name

### The Production Schedule

<b>Number of Workers</b>	Total Product	Marginal Product

# The Production Function











## FREE-ENTERPRISE PROJECT

### GRADING RUBRIC

	<b>Outstanding</b>	<b>Highly Successful</b>	<b>Successful</b>	<b>Not Yet Successful</b>
<b>1. How much profit did your group acquire? (50pts.)</b>	\$75 or more  (50)	\$74-\$50  (45)	\$49-\$25  (40)	\$24-Less  (30 or less)
<b>2. Is the information on the paperwork accurate and verifiable? (20pts.)</b>	All items are correct or there are only a few minor errors.  (20)	There are some minor errors or some incomplete items.  (17)	There are significant errors and/or items that are unanswered.  (14)	Paperwork is incomplete or incorrect when taken as a whole.  (11 or less)
<b>3. Are all of the questions answered correctly for each of the different roles? Do the answers use sound economic reasoning? (20pts.)</b>	Answers use sound economic reasoning and all items are addressed.  (20)	Most of the items are correct; however a few items are missing or incorrect.  (17)	Some answers are correct; however economic reasoning isn't fully developed.  (14)	Answers do not use economic reasoning or many questions are not answered.  (11 or less)
<b>4. Is this project professionally done? Is it neat, organized, creative and attractive? (10pts.)</b>	Aesthetically pleasing and all information is easy to find and clear.  (10)	Looks nice and is well organized  (8)	Generic, but there has been some thought on how to organize information  (6)	Unprofessional: Simply stapled together with no creativity or thought about organization.  (4 or less)

PROJECT \_\_\_\_/100

EXTRA CREDIT \_\_\_\_/20

TOTAL PTS. \_\_\_\_/100