

Florida Interim Assessment Item Bank and Test Platform

Item Specifications

**Social Studies
Economics
Grades 9–12**



FLORIDA DEPARTMENT OF EDUCATION
www.fldoe.org

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I. Introduction

The U.S. Department of Education awarded a Race to the Top grant to Florida in August 2010. An important component of this grant focused on the development of high-quality assessment items and balanced assessments for use by districts, schools, and teachers. The assessment items will be stored in the Florida Interim Assessment Item Bank and Test Platform (IBTP), a statewide secure system which allows Florida educators to search the item bank, export test items, and generate customized high-quality assessments for computer-based delivery or paper-and-pencil delivery. The IBTP allows Florida educators to determine what students know and are able to do relative to instruction on Florida's Next Generation Sunshine State Standards and the Common Core State Standards (CCSS).

A. Purpose of the Item Specifications

The *Item Specifications* define the expectations for content, standards alignment, and format of assessment items for the Item Bank and Test Platform. The *Item Specifications* are intended for use by item writers and reviewers in the development of high-quality assessment items.

B. Scope

The *Item Specifications* provide general and grade-specific guidelines for the development of all Grades 9–12 Social Studies Assessment items available in the Florida Interim Assessment Item Bank.

C. Standards Alignment

Items developed for the Florida Interim Assessment Item Bank and Test Platform will align to the Next Generation Sunshine State Standards for Social Studies and, where appropriate and applicable, the Common Core State Standards for Mathematics and Literacy in History/Social Studies.

1. Next Generation Sunshine State Standards

Florida's Next Generation Sunshine State Standards (NGSSS) for Social Studies provide the basis for social studies teaching and learning in Florida's public schools. For Grades 9–12, the NGSSS are divided into benchmarks that identify what a student should know and be able to do in each course. The NGSSS are available at <http://www.floridastandards.org/homepagelindex.aspx>.

2. Common Core State Standards

Selected standards from the CCSS for Mathematics and Literacy in History/Social Studies have been embedded in Florida's course descriptions for Grades 6–12 social studies courses to provide support for social studies literacy and mathematics skills. Appendix B of this document provides a list of the CCSS Mathematics and Literacy Standards associated with the Grades 9–12 Economics course. Assessment items for social studies should be aligned to one or more of the associated CCSS, whenever appropriate, in addition to the targeted social studies benchmark.

II. Criteria for Item Development

Social studies item writers for the Florida Interim Assessment Item Bank must have a comprehensive knowledge of social studies curriculum based on the Next Generation Sunshine State Standards and an understanding of the range of cognitive abilities of the target student population. Item writers should understand and consistently apply the guidelines established in this document. Item writers are expected to use their best judgment in writing items that measure the social studies benchmarks of the NGSSS and the CCSS, where appropriate, without introducing extraneous elements that reflect bias for or against a group of students.

A. Overall Considerations for Item Development

These guidelines are provided to ensure the development of high-quality assessment items for the Florida Interim Assessment Item Bank.

1. Each item should be written to measure primarily one NGSSS benchmark; however, other benchmarks may also be addressed for some item types.
2. Whenever possible, each item will also be aligned to a secondary CCSS Mathematics and/or Literacy standard applicable to a particular grade.
3. Items should be appropriate for students in terms of grade-level instruction, experience and difficulty, cognitive development, and reading level. The reading level of the test items should be on grade level (refer to the glossaries in CPALMS for each course), except for specifically assessed social studies terms or concepts. Some words used in the social studies benchmarks are above grade level.
4. Of the assessment items associated with a given benchmark, 50% or more should meet or exceed the cognitive level (DOK) of the benchmark.
5. Each item should be written clearly and unambiguously to elicit the desired response.
6. Items should not disadvantage or exhibit disrespect to anyone in regard to age, gender, race, ethnicity, language, religion, socioeconomic status, disability, occupation, or geographic region.

B. Item Contexts

The context in which an item is presented is called the item context or scenario. These guidelines are provided to assist item writers with development of items within an appropriate context.

1. The item context should be designed to interest students at the targeted level. Scenarios should be appropriate for students in terms of grade-level experience and difficulty, cognitive development, and reading level.
2. The context should be directly related to the question asked. The context should lead the student cognitively to the question. Every effort should be made to keep items as concise as possible without losing cognitive flow or missing the overall idea or concept.

3. Information and/or data in items must be accurate and verifiable using reliable sources. Source documentation should accompany items as needed.
4. All item scenarios, graphics, diagrams, and illustrations must be age-, grade-, and experience-appropriate.
5. The item content should be timely but not likely to become dated.

C. Use of Media

Media can be used to provide either necessary or supplemental information—that is, some media contain information that is necessary for answering the question, while other media support the context of the question. Items may include diagrams, illustrations, charts, tables, audio files, or video files unless otherwise noted in the Individual Benchmark Specifications.

1. Items should not begin with media. Media in items is always preceded by text.
2. All visual media (tables, charts, graphs, photographs, maps, illustrations, etc.) should be titled. Titles should be in all caps, boldfaced, and centered, and may be placed above or below the visual media.

D. Item Style and Format

This section presents stylistic guidelines and formatting directions that should be followed while developing items.

1. Items should be clear and concise and should use vocabulary and sentence structure appropriate for the assessed grade level. Writers should refer to the resources provided during item writer training and to the glossaries in CPALMS.
2. The words *most likely* or *best* should be used only when appropriate to the question.
3. Items requiring art should be to scale whenever possible. If not possible, a not-to-scale text box should be included at the bottom left of the art.
4. Graphics in items should be clearly labeled and contain all necessary information.
5. Items using the word *not* should emphasize the word *not* using all uppercase letters (e.g., Which of the following is NOT an example of . . .). The word *not* should be used sparingly.
6. As appropriate, boldface type should be used to emphasize key words in the item (e.g., **least**, **most**, **greatest**, **percent**, **best**).
7. Masculine pronouns should NOT be used to refer to both sexes. Name(s) should be used whenever possible to avoid gender-specific pronouns (e.g., instead of “The student will make changes so that he . . .”, use “John and Maria will make changes so that they . . .”).

E. Item Types

This section presents guidelines for development of the following types of items:

- Selected Response (SR)—1 point
- Gridded Response (GR)—1 point
- Short Response (SHR)—1 point
- Constructed Response (CR)—2 points
- Extended Response (ER)—4 points
- Essay Response (ESR)—6 points
- Performance Task (PT)—1–10 points

1. Selected Response (SR) Items (1 point)

Selected response items require students to choose an answer from the choices given. Each item consists of a stem and either three or four answer options, depending on the grade level (see #3 below). One of the answer options is the correct answer, and the remaining options are called distractors. Selected response items may also include a stimulus and/or passage.

1. SR items should take approximately one minute per item to answer.
2. SR items are worth one point each.
3. SR items for grades K, 1, and 2 should have three answer options (A, B, and C). SR items for all other grades and courses should have four answer options (A, B, C, and D).
4. SR items must have only one correct answer option.
5. During item development and review, the correct response should be indicated.
6. During item development and review, the rationale for distractors (incorrect answer choices) should be indicated. The rationale should include information explaining why a student would select that distractor.
7. Distractor rationales should represent social studies misconceptions commonly made by students who have not mastered the assessed concepts.
8. Each distractor should be a believable answer (i.e., plausible, but incorrect).
9. All answer options should be written in a style appropriate to the question asked. For example, a “how” question should have answer options that explain how.
10. Options should have parallel structure whenever possible. Test item options should not have an outlier (e.g., an answer option that is significantly longer than or different from the other options).
11. Items should not be clued or answered by information in the stem or other options.

12. Options such as *none of the above*, *all of the above*, *not here*, *not enough information*, or *cannot be determined* should not be used as answer options.
13. If an option is a single word or a phrase, the option should start with a lowercase letter. If an option is a sentence, the sentence should be conventionally capitalized and punctuated. Options that are imperatives should be treated as sentences.
14. Answer options that are single words should be arranged in alphabetical or reverse alphabetical order.
15. Answer options that are phrases or sentences should be arranged from shortest to longest or longest to shortest.
16. Numerical answer options should be arranged in ascending or descending order.
17. Numerical answer options that represent relative magnitude or size should be arranged as they are shown in the stem or in some other logical order.
18. When the item requires the identification of a choice from the item stem, table, chart, or illustration, the options should be arranged as they are presented in the item stem, table, chart, or illustration.
19. If the answer options for an item are neither strictly numerical nor denominate numbers, the options should be arranged by the logic presented in the item, by alphabetical order, or by length.

2. Gridded Response (GR) Items (1 point)

Gridded response questions are worth 1 point each. The questions require students to solve problems or interpret charts or graphs and mark their answers by filling in the appropriate bubbles for the numbers on answer grids. Students must accurately complete the grid to receive credit for their answers.

3. Short Response (SHR) Items (1 point)

Short response items usually include a scenario and instructions on how to respond. The recommended time allotment for a student to respond is 3 minutes. A complete answer is worth 1 point. There are no partial points for this item type.

4. Constructed Response (CR) Items (2 points)

Constructed response items usually include a scenario and instructions on how to respond. The recommended time allotment for a student to respond is 5 minutes. A complete answer is worth 2 points and a partial answer is worth

1 point. The constructed response holistic rubric and exemplar specific to each item are used for scoring as follows:

SCORING RUBRIC	
2	A score of two indicates that the student has demonstrated a thorough understanding of the social studies concepts applicable to the prompt. The student has provided a complete and correct response to all parts of the prompt. When required, student explanations are clear and complete. The response may contain minor flaws that do not detract from the demonstration of a thorough understanding.
1	A score of one indicates that the student has demonstrated an incomplete understanding of the social studies concepts applicable to the prompt or has provided a response that is only partially correct. The student may have arrived at an acceptable conclusion, but with a flawed or weak application of social studies concepts. The student may also have applied the social studies concepts, but failed to fully arrive at the conclusion. The response may contain flaws that detract slightly from the demonstration of understanding.
0	A score of zero indicates that the student has not provided a response or has provided a response that does not demonstrate an understanding of the social studies concepts applicable to the prompt. The student's explanation may be uninterpretable, lack sufficient information to determine the student's understanding, or contain clear misunderstandings of the underlying social studies concepts. The response may contain major flaws that detract from the demonstration of understanding.

Exemplars: A specific exemplar should be developed for each constructed response item. Exemplars will be used as scoring guides and should be specific to the item, but not so specific as to discount multiple correct answers. Exemplars should include a clear and defensible description of the top score point, and contain straightforward language that is accurate, complete, and easy to interpret.

5. Extended Response (ER) Items (4 points)

Extended response items include a scenario and instructions on how to respond and are worth 4 score points. However, ER items are usually more complex than SHR items and 2-point CR items. The recommended time allotment for a student to respond is 10–15 minutes. The extended response

holistic rubric and exemplar specific to each item are used for scoring as follows:

SCORING RUBRIC	
4	A score of four indicates that the student has demonstrated a thorough understanding of the social studies concepts applicable to the prompt. The student has provided a complete and correct response to all parts of the prompt. The appropriate social studies terminology is used correctly. The response may contain minor flaws that do not detract from a demonstration of a thorough understanding.
3	A score of three indicates that the student has demonstrated an understanding of the social studies concepts applicable to the prompt. The student's response to the prompt is essentially correct, but the social studies explanations and/or interpretations provided are not thorough. The response may contain minor flaws that reflect inattentiveness or indicate some misunderstanding of the underlying social studies concepts.
2	A score of two indicates that the student has demonstrated only a partial understanding of the social studies concepts applicable to the prompt. Although the student may have arrived at an acceptable conclusion, the student's work lacks an essential understanding of the underlying social studies concepts. The response may contain errors related to misunderstanding important aspects of the prompt and misuse of social studies terms.
1	A score of one indicates that the student has demonstrated a very limited understanding of the social studies concepts applicable to the prompt. The student's response is incomplete and exhibits many flaws. Although the student's response has addressed some of the conditions of the prompt, the student has reached an inadequate conclusion. The response exhibits many flaws or may be incomplete.
0	A score of zero indicates that the student has not provided a response or has provided a response that does not demonstrate an understanding of the social studies concepts applicable to the prompt. The student's explanation may be uninterpretable, lack sufficient information to determine the student's understanding, contain clear misunderstandings of the underlying social studies concepts, or be incorrect.

Exemplars: A specific exemplar should be developed for each extended response item. Exemplars will be used as scoring guides and should be specific to the item, but not so specific as to discount multiple correct answers. Exemplars should include a clear and defensible description of the top score point, and contain straightforward language that is accurate, complete, and easy to interpret.

6. Essay Response (ESR) Items (6 points)

Essay response items consist of asking a general question or providing a stimulus (such as an article or research paper on a relevant topic), and asking the student to express their thoughts or provide facts about the topic using logic and reason. Essay response items encompass a higher level of thinking and a broader range of skills that includes CCSS literacy standards, both of which are critical to future success in higher education and the workforce.

In most cases, essay responses will go beyond a single paragraph in length, with a distinct introduction, body, and conclusion. An essay response will be worth a total of 6 points, with a rubric structure similar to that of the 4-point extended response. Students should be given about 20 to 30 minutes to complete each item.

Exemplars: A specific exemplar should be developed for each essay response item. Exemplars will be used as scoring guides and should be specific to the item, but not so specific as to discount multiple correct answers. Exemplars should include a clear and defensible description of the top score point, and contain straightforward language that is accurate, complete, and easy to interpret.

7. Performance Task (PT) Items (1–10 points)

Performance tasks are used to measure students' ability to *demonstrate* knowledge and skills from one or more benchmarks of the NGSSS and the CCSS. Specifically, performance tasks may require students to create a product, demonstrate a process, or perform an activity that demonstrates proficiency in social studies. They are evaluated using customized scoring rubrics, and each task may be worth 1–10 points. Performance tasks may have the following characteristics:

1. Performance tasks may cover a short time period or may cover an extended period of time.
2. Performance tasks must contain clear and explicit directions for understanding and completing the required component tasks and producing the objective output.
3. All tasks, skills, and/or behaviors required by the performance tasks must be objective, observable, and measurable.
4. All necessary equipment, materials, and resources should be referenced within the text of the performance task.
5. Performance tasks should elicit a range of score points.
6. Performance tasks generally require students to organize, apply, analyze, synthesize, and/or evaluate concepts.

7. Performance tasks may measure performance in authentic situations and outside the classroom, where appropriate and practical.
8. Typical response formats include demonstrations, oral presentations, exhibits, or other products.
9. Every performance task requires companion rubrics to be used for scoring purposes. Rubrics should meet the following criteria:
 - a. The rubrics and performance tasks should be developed in tandem to ensure compatibility.
 - b. Rubrics must be specific to the individual requirements of each performance task; generic rubrics are not acceptable.
 - c. The rubric must allow for efficient and consistent scoring.
 - d. The customized rubric will also serve as an exemplar and should include a clear and defensible description of the top score point, and contain straightforward language that is accurate, complete, and easy to interpret.
 - e. The highest score descriptor should allow for all foreseeable methods of correctly and thoroughly completing all requirements of the performance task.

A performance task may address one or more benchmarks or standards and may be composed of multiple items. The expectation is the performance tasks will include a demonstration of the student's mastery of the benchmark or standard. Items are expected to have rubrics.

F. Complex Stimuli and Reading Passages

The cross-curricular focus on aligning Florida IBTP items with the Common Core State Standards for mathematics and literacy make complex reading passages important components of the item bank. A passage is a segment of written work, followed by a series of questions that assess the student's comprehension of reading and the content presented. Some social studies items will be associated with a reading passage, while others will be standalone items.

G. Readability

Items must be written with readability in mind. In addition, vocabulary must be appropriate for the grade level being tested. The following sources provide information about the reading level of individual words:

Taylor, Stanford E. *EDL Core Vocabularies: Reading, Mathematics, Science, and Social Studies*. Austin, TX: Steck-Vaughn-EDL, 1989.

Mogilner, Alijandra. *Children's Writer's Word Book*. Cincinnati, OH: Writer's Digest Books, 1992.

H. Cognitive Complexity

1. Overview

Florida's adoption of the Common Core State Standards (CCSS) for Mathematics and English Language Arts & Literacy in History/Social Studies, Science, and Technical Subjects presents Florida with an opportunity

to revise its current Depth of Knowledge (DOK) Model of Cognitive Complexity. More information about Florida's Depth of Knowledge levels is available online at <http://www.cpalms.org/cpalms/dok.aspx>.

2. Levels of Depth of Knowledge for Social Studies

Level 1 (Recall) standards and assessment items require students to recall facts, terms, concepts, trends, generalizations and theories or to recognize or identify specific information contained in graphics. This level generally requires students to identify, list, or define. Standards or tasks at this level usually ask the student to recall who, what, when and where. Items that require students to “describe” and “explain” could be classified at Level 1 or 2 depending on what is to be described and explained. A Level 1 “describe or explain” would recall, recite or reproduce information. Items that require students to recognize or identify specific information contained in maps, charts, tables, graphs or drawings are generally Level 1.

Some examples that represent but do not constitute all of Level 1 performance are:

- Recognize the importance of U.S. symbols.
- List characteristics of good citizenship.
- Describe different types of jobs in an economic system and the types of tools used.
- Identify significant individuals responsible for the development of the New England, Middle, and Southern colonies.
- Use latitude and longitude to locate places.
- Describe the role of the three branches of government in the United States.

Level 2 (Basic Application of Concepts & Skills) includes the engagement of some mental processing beyond recalling or reproducing a response. This level generally requires students to contrast or compare people, places, events and concepts; convert information from one form to another; give an example; classify or sort items into meaningful categories; describe, interpret or explain issues and problems, patterns, reasons, cause and effect, significance or impact, relationships, points of view or processes. A Level 2 “describe or explain” would require students to go beyond a description or explanation of recalled information to describe or explain a result or “how” or “why.”

Some examples that represent but do not constitute all of Level 2 performance are:

- Distinguish between primary and secondary sources.
- Describe technological developments that shaped European exploration.
- Identify and explain significant events leading up to the American Revolution.
- Discuss the concept of Manifest Destiny.

- Explain how the three branches of government in the United States were designed to set up a system of checks and balances.

Level 3 (Strategic Thinking & Complex Reasoning) requires reasoning, planning, using evidence, and a higher level of thinking than the previous two levels. Students would go beyond explaining or describing “how and why” to justifying the “how and why” through application and evidence. The cognitive demands at Level 3 are more complex and more abstract than Levels 1 or 2. Items at Level 3 include drawing conclusions; citing evidence; applying concepts to analyze new situations; using concepts to solve problems; analyzing similarities and differences in issues and problems; proposing and evaluating solutions to problems; recognizing and explaining misconceptions or making connections across time and place to explain a concept or big idea.

Some examples that represent but do not constitute all of Level 3 performance are:

- Describe the introduction, impact, and role of slavery in the colonies.
- Examine and explain the changing roles and impact of significant women during the American Revolution.
- Compare and contrast Federalist and Anti-Federalist views of government.
- Trace the development of technology and the impact of major inventions on business productivity during the early development of the United States.
- Differentiate fact from opinion, utilizing appropriate historical research and fiction/nonfiction support materials.
- Discuss the impact of westward expansion on cultural practices and migration patterns of Native American and African slave populations.

Level 4 (Extended Thinking & Complex Reasoning) standards and assessment items combine the strategic thinking of Level 3 with the addition of planning, investigating, or developing that will require an extended period of time. The extended time period is not a distinguishing factor if the required work is only repetitive and does not require applying significant conceptual understanding and higher-order thinking. At this level the cognitive demands should be high and the work should require in-depth analysis using multiple sources. Students should connect and relate ideas and concepts within the content area or among content areas through research in order to be at this highest level. The distinguishing factor for Level 4 would be evidence through a task or product that the cognitive demands have been met. A Level 4 standard or assessment item will require students to analyze and synthesize information from multiple sources, examine and explain alternative perspectives across a variety of sources, and/or describe and illustrate how common themes and concepts are found across time and place. In some Level 4 performances students will make predictions with evidence as support, develop a logical argument, or plan and develop solutions to problems.

Standards, goals, and objectives can be stated so as to expect students to perform thinking at this level. On-demand assessments that do include tasks, products, or extended responses would be classified as Level 4.

Some examples that represent but do not constitute all of Level 4 performance are:

- Using primary sources, write an analysis of the historical development of significant sociocultural and/or socioeconomic trends and developments (e.g., women’s/worker’s rights, race relations, religious influences).
- Produce a presentation that compares and contrasts various political systems (e.g., democracy, communism, democratic socialism, anarchy, etc.).
- Write an essay linking the significance of geological location and resources on the economic and social development of a country or region.
- Design a study of regional natural resources and assess the impact of human development and use.

I. Item Difficulty

Item writers will not be expected to make a prediction of difficulty for each item created. However, item writers should develop items that reflect a range of difficulty levels.

J. Universal Design

The application of universal design principles helps develop assessments that are usable to the greatest number of students, including students with disabilities and nonnative speakers of English. To support the goal of providing access to all students, the items in the Florida Interim Assessment Item Bank maximize readability, legibility, and compatibility with accommodations, and item development includes a review for potential bias and sensitivity issues.

Items must allow for the widest possible range of student participation. Item writers must attend to the best practices suggested by universal design, including, but not limited to,

- reduction in wordiness;
- avoidance of ambiguity;
- selection of reader-friendly construction and terminology; and
- consistently applied concept names and graphic conventions.

Universal design principles also inform decisions about item layout and design, including, but not limited to, type size, line length, spacing, and graphics.

K. Sample Items

Appendix A of this document contains a selection of sample items. The sample items represent a range of cognitive complexities and item types.

III. Review Procedures for Florida Interim Assessment Item Bank Items

Prior to being included in the Florida Interim Assessment Item Bank, items must pass several levels of review as part of the item development process.

A. Review for Item Quality

Assessment items developed for the Florida Interim Assessment Item Bank are reviewed by Florida educators, the FDOE, and the Item Bank contractors to ensure the quality of the items, including grade-level appropriateness, standards alignment, accuracy, and other criteria for overall item quality.

B. Review for Bias and Sensitivity

Items are reviewed by groups of Florida educators generally representative of Florida's geographic regions and culturally diverse population. Items are reviewed for the following kinds of bias: gender, racial, ethnic, linguistic, religious, geographic, and socioeconomic. Item reviews also include consideration of issues related to individuals with disabilities.

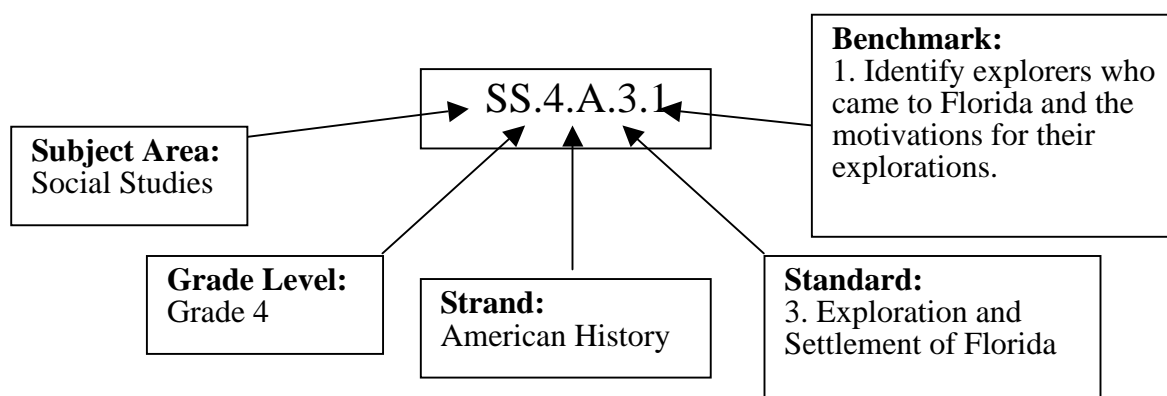
This review is to ensure that the primary purpose of assessing student achievement is not undermined by inadvertently including in the item bank any material that students, parents, or other stakeholders may deem inappropriate. Reviewers are asked to consider the variety of cultural, regional, philosophical, political, and religious backgrounds throughout Florida and to determine whether the subject matter will be acceptable to Florida students, their parents, and other members of Florida communities.

IV. Guide to the Individual Benchmark Specifications

A. Benchmark Classification System

Each benchmark in the NGSSS is labeled with a system of numbers and letters.

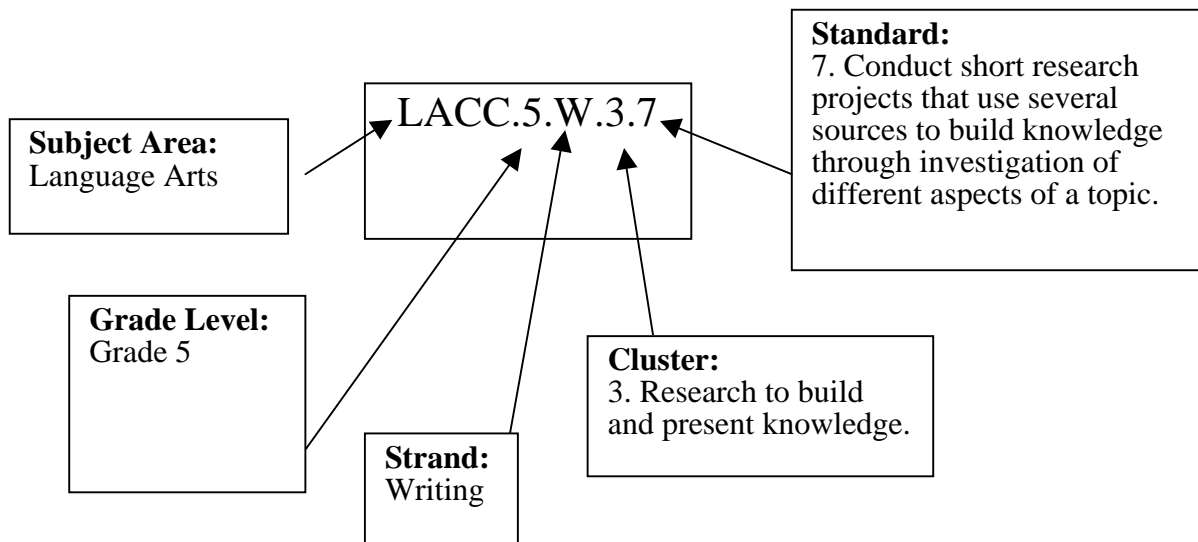
- The two letters in the *first position* of the code identify the **Subject Area**.
- The number(s) in the *second position* represent the **Grade Level**.
- The letter in the *third position* represents the **Strand** to which the benchmark belongs (e.g., *A* represents American History, *G* represents Geography, *E* represents Economics, *W* represents World History, *C* represents Civics and Government, and *H* represents Humanities).
- The number in the *fourth position* represents the **Standard**.
- The number in the *last position* identifies the specific **Benchmark**.



B. Common Core State Standard Classification System

Each standard in the CCSS is also labeled with a system of numbers and letters.

- The four letters in the *first position* of the code identify the **Subject Area**.
- The number(s) in the *second position* represent the **Grade Level**.
- The letter in the *third position* represents the **Strand**.
- The number in the *fourth position* represents the **Cluster**.
- The number in the *last position* identifies the specific **Standard**.



V. Definitions of Benchmark Specifications

The *Item Specifications* identify how the benchmarks in Florida’s NGSSS and the CCSS are assessed by items in the Florida Interim Assessment Item Bank. For each assessed benchmark, the following information is provided in the Individual Benchmark Specifications section.

Strand	refers to the general category of knowledge. The strands for Social Studies are American History, Geography, Economics, World History, Civics and Government, and Humanities.
Standard	refers to a main idea or description statement of general expectations regarding knowledge and skill development.
Benchmark	refers to specific statements of expected student achievement.
Common Core State Standard Connections	refers to the Common Core Literacy and Mathematics Standards that are closely related to the benchmark. (See Appendix B for a list of CCSS standards associated with this course/grade band.)
Benchmark Clarifications	explain how achievement of the benchmark will be demonstrated by students. The clarification statements explain what students are expected to do when responding to the question.
Content Limits	define the range of content knowledge and degree of difficulty that should be assessed in the items for the benchmark. Content limits may be used to identify content beyond the scope of a targeted benchmark if the content is more appropriately assessed by another benchmark. These statements help to provide validity by ensuring the test items are clearly aligned to the targeted benchmark.

VI. Individual Benchmark Specifications

A. Economics Item Specifications

Course Number: 2102310 - **Economics** - The grades 9–12 Economics course consists of the following content area strands: Economics and Geography. The primary content emphasis for this course pertains to the study of the concepts and processes of the national and international economic systems. Content should include, but is not limited to, currency, banking, and monetary policy; the fundamental concepts relevant to the major economic systems; the global market and economy; major economic theories and economists; the role and influence of the government and fiscal policies; economic measurements, tools, and methodology; financial and investment markets; and the business cycle.

Benchmark SS.912.E.1.1	
Strand	E: Economics
Standard	1: Understand the fundamental concepts relevant to the development of a market economy.
Benchmark	SS.912.E.1.1: Identify the factors of production and why they are necessary for the production of goods and services.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will identify the factors of production such as land, labor, and capital, which are combined by entrepreneurs to produce goods and services.</p> <p>Students will distinguish between renewable and nonrenewable resources.</p> <p>Students will explain why the factors of production are necessary for the production of goods and services.</p> <p>Examples may include, but are not limited to, land, labor, capital, entrepreneurship, economic choices, scarcity, economic problems, and factors of production.</p>
Content Limits	Items will not require calculation of opportunity costs but may require comparison or use of quantitative data, including tables; items will not require complex application or interpretation of graphs.

Benchmark SS.912.E.1.2	
Strand	E: Economics
Standard	1: Understand the fundamental concepts relevant to the development of a market economy.
Benchmark	SS.912.E.1.2: Analyze production possibilities curves to explain choice, scarcity, and opportunity costs.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will recognize how scarcity affects making economic choices.</p> <p>Students will analyze production possibilities curves and interpret the information represented on the graphs.</p> <p>Students will explain how production possibilities curves show scarcity, alternative uses of resources, opportunity costs, and tradeoffs.</p> <p>Students will analyze opportunity costs and tradeoffs in government policy actions.</p> <p>Students will identify factors that could affect a production possibilities curve.</p> <p>Examples may include, but are not limited to, cost/benefit analysis, marginal cost, marginal benefit, efficiency, underutilization, growth, and the law of increasing opportunity costs.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.1.3**Strand E: Economics**

Standard	1: Understand the fundamental concepts relevant to the development of a market economy.
Benchmark	SS.912.E.1.3: Compare how the various economic systems (traditional, market, command, mixed) answer the questions: (1) What to produce?; (2) How to produce?; and (3) For whom to produce?
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will determine how different goals and values can affect how a society answers the three economic questions.</p> <p>Students will recognize the characteristics of each economic system and its advantages and disadvantages.</p> <p>Students will analyze how the three key questions are answered in each economic system, and how economic decisions are made.</p> <p>Students will explain reasons for government involvement in a mixed economy.</p> <p>Examples may include, but are not limited to, economic systems, circular flow model, economic goals (efficiency, freedom, security, equity, growth, and full employment), and economic transition to the market system.</p>
Content Limits	Students will not be required to know which economic system is associated with a particular country.

Benchmark SS.912.E.1.4	
Strand	E: Economics
Standard	1: Understand the fundamental concepts relevant to the development of a market economy.
Benchmark	SS.912.E.1.4: Define supply, demand, quantity supplied, and quantity demanded, graphically illustrate situations that would cause changes in each, and demonstrate how the equilibrium price of a product is determined by the interaction of supply and demand in the market place.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will explain and analyze the laws of supply and demand.</p> <p>Students will explain the laws of diminishing marginal utility and diminishing returns.</p> <p>Students will identify goods that have elastic and inelastic demand.</p> <p>Students will recognize the relationship between supply, demand, and price and the effect when change occurs.</p> <p>Students will understand the difference between a shift in a demand (supply) curve and a movement along a demand (supply) curve.</p> <p>Students will use knowledge of the relationship between price and quantity demanded (supplied) to create a demand (supply) schedule and a demand (supply) curve.</p> <p>Students will use supply and demand to determine the market equilibrium quantity and price.</p> <p>Students will demonstrate the relationship between price change, total revenue, and elasticity.</p> <p>Examples may include, but are not limited to, equilibrium, excess supply (surplus), excess demand (shortage), tax, subsidy, income and substitution effects, and normal and inferior goods.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.1.5

Strand E: Economics	
Standard	1: Understand the fundamental concepts relevant to the development of a market economy.
Benchmark	SS.912.E.1.5: Compare different forms of business organizations.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will identify the characteristics and structure of the different forms of business organization: sole proprietorships, partnerships, corporations, and franchises.</p> <p>Students will compare the advantages and disadvantages of different forms of business organization.</p> <p>Examples may include, but are not limited to, sole proprietorship, partnership, corporation, and limited liability corporation.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.1.6

Strand E: Economics	
Standard	1: Understand the fundamental concepts relevant to the development of a market economy.
Benchmark	SS.912.E.1.6: Compare the basic characteristics of the four market structures (monopoly, oligopoly, monopolistic competition, pure competition).
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will identify and compare the four types of market structures and give examples of firms in each market structure.</p> <p>Students will explain how prices and output are determined in each market structure.</p> <p>Students will describe the government’s role in promoting competition.</p> <p>Examples may include, but are not limited to, antitrust laws, barriers to entry, collusion, deregulation, product differentiation, economies of scale, imperfect competition, intellectual property, market failures, patent, predatory pricing, price fixing, and price discrimination.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.1.7	
Strand	E: Economics
Standard	1: Understand the fundamental concepts relevant to the development of a market economy.
Benchmark	SS.912.E.1.7: Graph and explain how firms determine price and output through marginal cost analysis.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will describe the effect of specialization on cost and production.</p> <p>Students will explain and illustrate graphically how firms make production decisions to maximize profits.</p> <p>Students will explain and illustrate graphically how price changes affect production decisions.</p> <p>Students will analyze the effect of changing factors of production on the firm's opportunity cost and decision making.</p> <p>Students will determine how elasticity of demand influences the firm's pricing decision.</p> <p>Examples may include, but are not limited to, marginal analysis, profit maximization, marginal costs, operating costs, revenue, shut-down price, fixed costs, variable costs, elasticity of demand, and economies of scale.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.1.8	
Strand	E: Economics
Standard	1: Understand the fundamental concepts relevant to the development of a market economy.
Benchmark	SS.912.E.1.8: Explain ways firms engage in price and nonprice competition.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will identify roles that prices play in allocating resources efficiently.</p> <p>Students will recognize the relationship between price competition and profits.</p> <p>Students will recognize the relationship between nonprice competition and profits.</p> <p>Students will describe competitive strategies using nonprice factors.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.1.9	
Strand	E: Economics
Standard	1: Understand the fundamental concepts relevant to the development of a market economy.
Benchmark	SS.912.E.1.9: Describe how the earnings of workers are determined.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will describe how the labor supply and demand determine the equilibrium wages.</p> <p>Students will identify the determinants of labor demand and labor supply.</p> <p>Students will identify factors that affect earnings of workers.</p> <p>Students will assess the impact of outsourcing and the use of temporary employees as a dampener on wage increases.</p> <p>Students will analyze how education and skill level affect wages.</p> <p>Students will assess the impact of minimum wage, occupational safety laws, and unions on wages.</p> <p>Examples may include, but are not limited to, minimum wage, the market value of the product produced, workers' productivity, labor unions, labor movements, collective bargaining, fringe benefits, income distribution, immigration, pension, strikes, and wage discrimination.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.1.10

Strand		E: Economics
Standard	1: Understand the fundamental concepts relevant to the development of a market economy.	
Benchmark	SS.912.E.1.10: Explain the use of fiscal policy (taxation, spending) to promote price stability, full employment, and economic growth.	
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)	
Benchmark Clarifications	Students will identify different types of income taxes. Students will compare the goals of expansionary and contractionary fiscal policy. Students will use the aggregate demand and aggregate supply model to analyze the effect of a fiscal policy. Students will describe the strengths and weaknesses of fiscal policy. Examples may include, but are not limited to, tax bases, tax structures, tax burden, corporate income taxes, federal budget, price stability, full employment, and economic growth.	
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.	

Benchmark SS.912.E.1.11	
Strand	E: Economics
Standard	1: Understand the fundamental concepts relevant to the development of a market economy.
Benchmark	SS.912.E.1.11: Explain how the Federal Reserve uses the tools of monetary policy (discount rate, reserve requirement, open market operations) to promote price stability, full employment, and economic growth.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will recognize the roles of the Federal Reserve.</p> <p>Students will explain the process of money creation.</p> <p>Students will describe the advantages and disadvantages of expanding the money supply.</p> <p>Students will identify and compare the different monetary tools used by the Federal Reserve.</p> <p>Students will identify the strengths and weaknesses of monetary policies.</p> <p>Students will use the aggregate demand and aggregate supply model to analyze the effect of a monetary policy.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.1.12	
Strand	E: Economics
Standard	1: Understand the fundamental concepts relevant to the development of a market economy.
Benchmark	SS.912.E.1.12: Examine the four phases of the business cycle (peak, contraction-unemployment, trough, expansion-inflation).
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will identify measures of economic performance.</p> <p>Students will identify the components of Gross Domestic Product (GDP).</p> <p>Students will identify the defining characteristics of the four phases of the business cycle.</p> <p>Students will distinguish between recessions and depressions.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.1.13

Strand E: Economics	
Standard	1: Understand the fundamental concepts relevant to the development of a market economy.
Benchmark	SS.912.E.1.13: Explain the basic functions and characteristics of money and describe the composition of the money supply in the United States.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will describe the functions and characteristics of money.</p> <p>Students will distinguish between commodity money and fiat money.</p> <p>Students will identify the composition of the money supply.</p> <p>Students will identify different measures of the U.S. money supply (M1, M2).</p> <p>Examples may include, but are not limited to, central banks, fiat money, near money, representative money, credit cards, debit cards, liquidity, demand deposits, checks, and electronic banking.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.1.14

Strand E: Economics	
Standard	1: Understand the fundamental concepts relevant to the development of a market economy.
Benchmark	SS.912.E.1.14: Compare credit, savings, and investment services available to the consumer from financial institutions.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will identify the benefits and risks of saving and investing.</p> <p>Students compare the functions of various financial intermediaries such as banks, savings and loan associations, credit unions, finance companies, mutual funds, hedge funds, insurance companies, pension funds, and brokerage firms.</p> <p>Students describe the relationship between financial intermediaries, savers, and borrowers.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.1.15	
Strand	E: Economics
Standard	1: Understand the fundamental concepts relevant to the development of a market economy.
Benchmark	SS.912.E.1.15: Describe the risk and return profiles of various investment vehicles and the importance of diversification.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will define investment instruments such as money market funds, stocks, bonds, and real estate.</p> <p>Students will compare and assess the risk and return profiles of various investment vehicles.</p> <p>Students will examine factors that affect an investor’s risk tolerance based on investment objectives (e.g., retirement, college savings, protecting against market fluctuations).</p> <p>Students will analyze the importance of diversification of investment plans in the marketplace.</p> <p>Examples may include, but are not limited to, savings accounts, certificates of deposit, stocks, bonds, mutual funds, and Individual Retirement Accounts.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.1.16

Strand		E: Economics
Standard		1: Understand the fundamental concepts relevant to the development of a market economy.
Benchmark		SS.912.E.1.16: Construct a one-year budget plan for a specific career path, including expenses and construction of a credit plan for purchasing a major item.
Common Core State Standard Connections		Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications		<p>Students will choose a career path (e.g., farmer, plumber, teacher, physician), project expected income and expenses (e.g., housing expenses, furnishings, utilities, food costs, transportation, etc.), and develop an annual budget.</p> <p>Students will examine the factors that affect access to and cost of credit for purchasing a major item (income, interest rates, credit scores, payment plan, etc.).</p> <p>Students will explain how interest rates and credit scores affect a credit plan.</p> <p>Students will demonstrate how to construct a credit plan for purchasing a major item.</p> <p>Examples of a career path may include, but are not limited to, university student, trade school student, food service employee, retail employee, laborer, and armed forces enlisted personnel.</p> <p>Examples of a budget plan may include, but are not limited to, housing expenses, furnishings, utilities, food costs, transportation, and personal expenses—medical, clothing, grooming, entertainment and recreation, and gifts and contributions.</p> <p>Examples of a credit plan may include, but are not limited to, interest rates, credit scores, and payment plan.</p>
Content Limits		Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.2.1	
Strand	E: Economics
Standard	2: Understand the fundamental concepts relevant to the institutions, structure, and functions of a national economy.
Benchmark	SS.912.E.2.1: Identify and explain broad economic goals.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will identify different measures of economic performance.</p> <p>Students will identify the components of GDP.</p> <p>Students will distinguish between nominal GDP and real GDP.</p> <p>Students will explain the effect of changes in price level on GDP.</p> <p>Students will describe how the various economic systems have different economic goals.</p> <p>Examples may include, but are not limited to, freedom, efficiency, equity, security, growth, price stability, and full employment.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.2.2	
Strand	E: Economics
Standard	2: Understand the fundamental concepts relevant to the institutions, structure, and functions of a national economy.
Benchmark	SS.912.E.2.2: Use a decision-making model to analyze a public policy issue affecting the student’s community that incorporates defining a problem, analyzing the potential consequences, and considering the alternatives.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will identify the steps in the decision-making model.</p> <p>Students will use the decision-making model to analyze a public policy issue affecting the local community.</p> <p>Students will analyze alternative solutions to resolve a public policy issue.</p> <p>Students will compare private and public agencies’ abilities to solve local problems.</p>
Content Limits	Items will not require students to recall policies of specific public agencies.

Benchmark SS.912.E.2.3

Strand E: Economics	
Standard	2: Understand the fundamental concepts relevant to the institutions, structure, and functions of a national economy.
Benchmark	SS.912.E.2.3: Research contributions of entrepreneurs, inventors, and other key individuals from various gender, social, and ethnic backgrounds in the development of the United States.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	Students will describe the importance of various entrepreneurs and investors in the economic growth of the United States.
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.2.4

Strand E: Economics	
Standard	2: Understand the fundamental concepts relevant to the institutions, structure, and functions of a national economy.
Benchmark	SS.912.E.2.4: Diagram and explain the problems that occur when government institutes wage and price controls, and explain the rationale for these controls.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will identify different types of price controls, such as minimum wage rate, agricultural commodity support, and rent control.</p> <p>Students will examine the rationale for implementing wage and price controls.</p> <p>Students will analyze the impact of minimum wage and price controls on market equilibrium and market efficiency.</p> <p>Students will draw and demonstrate the effects of price (wage) controls using the supply and demand framework for the labor market.</p> <p>Examples may include but are not limited to shortage, surplus, and other inefficiencies.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.2.5	
Strand	E: Economics
Standard	2: Understand the fundamental concepts relevant to the institutions, structure, and functions of a national economy.
Benchmark	SS.912.E.2.5: Analyze how capital investments may impact productivity and economic growth.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will distinguish between investment in physical capital (factories, machinery, technology) and investment in human capital (people, training, education).</p> <p>Students will distinguish between capital investments and financial investments.</p> <p>Students will describe how regulation impacts capital investment decisions.</p> <p>Students will explain how capital investments affect technological progress and productivity and contribute to economic growth.</p> <p>Students will examine factors influencing capital investments and economic growth, such as population growth, tax policies, imports, etc.</p> <p>Examples may include, but are not limited to, factories, machinery, technology, and people.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.2.6	
Strand	E: Economics
Standard	2: Understand the fundamental concepts relevant to the institutions, structure, and functions of a national economy.
Benchmark	SS.912.E.2.6: Examine the benefits of natural monopolies and the purposes of government regulation of these monopolies.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will analyze arguments for and against natural monopolies.</p> <p>Students will examine the advantages of a natural monopoly.</p> <p>Students will identify different examples of natural monopolies.</p> <p>Students will discuss the government’s role in authorizing and regulating natural monopolies.</p> <p>Examples may include, but are not limited to, electric, water, cable, waste management, economies of scale, and efficiency in production.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.2.7	
Strand	E: Economics
Standard	2: Understand the fundamental concepts relevant to the institutions, structure, and functions of a national economy.
Benchmark	SS.912.E.2.7: Identify the impact of inflation on society.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will examine the effects of inflation on purchasing power, income, and interest rates.</p> <p>Students will identify the measures, types, and causes of inflation.</p> <p>Students will examine the impact of inflation on monetary and fiscal policies using aggregate demand and aggregate supply policies.</p> <p>Students will describe how changes in money supply, aggregate demand, and aggregate supply cause inflation.</p> <p>Students will identify costs of inflation on consumers, creditors (lenders), and debtors (borrowers).</p> <p>Examples may include, but are not limited to, consumer price index (CPI), economic indicators, hyper-inflation, and stagflation.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.2.8

Strand E: Economics	
Standard	2: Understand the fundamental concepts relevant to the institutions, structure, and functions of a national economy.
Benchmark	SS.912.E.2.8: Differentiate between direct and indirect taxes, and describe the progressivity of taxes (progressive, proportional, regressive).
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	Students will distinguish between direct (e.g., income taxes) and indirect (e.g., sales taxes) taxes. Students will identify and explain the progressive, proportional, and regressive taxes. Examples may include, but are not limited to, income, sales, and social security.
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.2.9

Strand E: Economics	
Standard	2: Understand the fundamental concepts relevant to the institutions, structure, and functions of a national economy.
Benchmark	SS.912.E.2.9: Analyze how changes in federal spending and taxation affect budget deficits and surpluses and the national debt.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	Students will describe actions the government can take to balance the budget. Students will distinguish between mandatory and discretionary spending programs. Students will distinguish between national debt and budget deficit. Students will identify problems of rising national debt.
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.2.10	
Strand	E: Economics
Standard	2: Understand the fundamental concepts relevant to the institutions, structure, and functions of a national economy.
Benchmark	SS.912.E.2.10: Describe the organization and functions of the Federal Reserve System.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will recognize the conditions that led to the Federal Reserve Act of 1913.</p> <p>Students will explain the structure of the Federal Reserve System.</p> <p>Students will identify the roles of the Federal Reserve to serve the government, banks, and the banking system.</p> <p>Students will explain the strategies and tools employed by the Federal Reserve to stimulate or contract economic growth.</p> <p>Examples may include, but are not limited to, easy money policy, tight money policy, federal funds rate, open market operations, discount rate, required reserve ratio, and macroeconomic stabilization.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.2.11

Strand E: Economics	
Standard	2: Understand the fundamental concepts relevant to the institutions, structure, and functions of a national economy.
Benchmark	SS.912.E.2.11: Assess the economic impact of negative and positive externalities on the local, state, and national environment.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will analyze the roles of costs and benefits in externalities.</p> <p>Students will distinguish between negative externalities (pollution, global warming) and positive externalities (pure water, better air quality) and examine their economic impact.</p> <p>Students will recognize that the government aims at increasing positive externalities and limiting negative externalities in the public and private sectors.</p> <p>Examples of negative externalities may include, but are not limited to, pollution and global warming.</p> <p>Examples of positive externalities may include, but are not limited to, pure water and better air quality.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.2.12

Strand E: Economics	
Standard	2: Understand the fundamental concepts relevant to the institutions, structure, and functions of a national economy.
Benchmark	SS.912.E.2.12: Construct a circular flow diagram for an open-market economy including elements of households, firms, government, financial institutions, product and factor markets, and international trade.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will identify the roles of various sectors of the economy: households, firms, government, financial institutions, product and factor markets, and international trade.</p> <p>Students will identify the direction of the flow of goods and money through the economy.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.3.1	
Strand	E: Economics
Standard	3: Understand the fundamental concepts and interrelationships of the United States economy in the international marketplace.
Benchmark	SS.912.E.3.1: Demonstrate the impact of inflation on world economies.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will identify and explain the effect of inflation on world economies during the Great Depression, World War II, and the 1973 oil crisis.</p> <p>Students will recognize that inflation caused by competition for resources makes it difficult for countries, especially less developed countries (LDCs), to channel resources to development and maintain economic growth.</p> <p>Examples may include, but are not limited to, oil prices, 1973 oil crisis, Great Depression, and World War II.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.3.2	
Strand	E: Economics
Standard	3: Understand the fundamental concepts and interrelationships of the United States economy in the international marketplace.
Benchmark	SS.912.E.3.2: Examine absolute and comparative advantage, and explain why most trade occurs because of comparative advantage.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will define and distinguish between absolute and comparative advantage.</p> <p>Students will analyze the impact of unequal distribution of resources on specialization and trade.</p> <p>Students will examine how specialization and trade benefit nations.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.3.3	
Strand	E: Economics
Standard	3: Understand the fundamental concepts and interrelationships of the United States economy in the international marketplace.
Benchmark	SS.912.E.3.3: Discuss the effect of barriers to trade and why nations sometimes erect barriers to trade or establish free trade zones.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will identify types of trade barriers (tariffs, quotas, and embargoes) and the purposes of imposing them.</p> <p>Students will distinguish between the effects of different types of trade barriers.</p> <p>Students will assess the effect of trade barriers on domestic consumers and producers.</p> <p>Students will examine arguments for and against protectionism.</p> <p>Students will analyze arguments for and against international trade agreements and free trade zones.</p> <p>Examples may include, but are not limited to, NAFTA, CAFTA, quotas, and tariffs.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.3.4	
Strand	E: Economics
Standard	3: Understand the fundamental concepts and interrelationships of the United States economy in the international marketplace.
Benchmark	SS.912.E.3.4: Assess the economic impact of negative and positive externalities on the international environment.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will identify the effects of positive externalities and negative externalities on the international environment.</p> <p>Students will analyze the costs of negative externalities.</p> <p>Students will recognize the roles of international organizations and agreements (e.g., Kyoto Protocol) in limiting negative externalities in the international environment.</p> <p>Examples of negative externalities may include, but are not limited to, pollution and global warming.</p> <p>Examples of positive externalities may include, but are not limited to, pure water and better air quality.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.3.5	
Strand	E: Economics
Standard	3: Understand the fundamental concepts and interrelationships of the United States economy in the international marketplace
Benchmark	SS.912.E.3.5: Compare the current United States economy with other developed and developing nations.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will compare and contrast the U.S. economy with other nations using measures of development (standard of living, productivity, per capita gross domestic product).</p> <p>Students will evaluate the government’s role in the U.S. economy and compare it to other nations in terms of fiscal policy, monetary policy, foreign exchange policy, and foreign trade policy.</p> <p>Students will identify stages of economic development.</p> <p>Examples may include, but are not limited to, standard of living, exchange rates, productivity, and gross domestic product.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.E.3.6	
Strand	E: Economics
Standard	3: Understand the fundamental concepts and interrelationships of the United States economy in the international marketplace.
Benchmark	SS.912.E.3.6: Differentiate and draw conclusions about historical economic thought theorized by economists.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will identify and compare historical economic thought theorized by economists.</p> <p>Students will examine the merits of different approaches to economic fundamentals.</p> <p>Examples may include, but are not limited to, Adam Smith, Malthus, Ricardo, Keynes, Friedman, Say, and Gilder.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.G.2.2

Strand G: Geography	
Standard	3: Understand the fundamental concepts and interrelationships of the United States economy in the international marketplace.
Benchmark	SS.912.G.2.2: Describe the factors and processes that contribute to the differences between developing and developed regions of the world.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	Students will identify and describe the primary characteristics of developed countries and those of developing countries. Students will examine results of economic changes in several countries. Students will identify how technology development, availability of natural resources, and infrastructure affect countries' economic development. Students will examine demographic statistics that are used to determine a country's development status.
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Benchmark SS.912.G.3.3

Strand G: Geography	
Standard	3: Understand the fundamental concepts and interrelationships of the United States economy in the international marketplace.
Benchmark	SS.912.G.3.3: Use geographic terms and tools to explain differing perspectives on the use of renewable and non-renewable resources in Florida, the United States, and the world.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	Students will identify the factors of production and renewable and nonrenewable resources in Florida, the United States, and the world. Students will analyze the benefits of positive externalities. Students will analyze the costs of negative externalities.
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

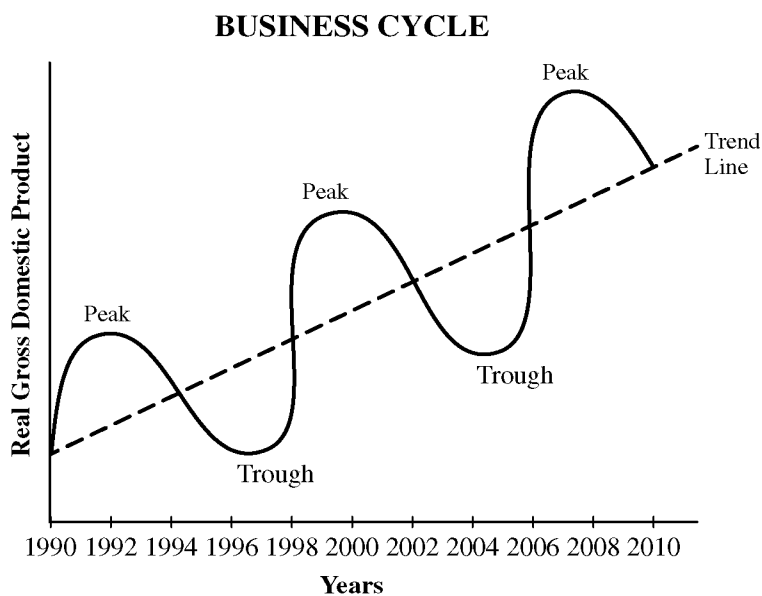
Benchmark SS.912.G.4.4	
Strand	G: Geography
Standard	3: Understand the fundamental concepts and interrelationships of the United States economy in the international marketplace.
Benchmark	SS.912.G.4.4: Use geographic terms and tools to analyze case studies of issues in globalization.
Common Core State Standard Connections	Indicate appropriate alignments to the CCSS Literacy Standards for Social Studies whenever applicable. (See Appendix B.)
Benchmark Clarifications	<p>Students will demonstrate an understanding of the various aspects of globalization.</p> <p>Students will identify and explain the arguments for and against globalization.</p> <p>Students will analyze benefits and costs of globalization from different perspectives.</p>
Content Limits	Item content is limited to the scope and intent of the instructional benchmark as related to the grades 9–12 Economics course.

Appendix A: Sample Items

Sample Item 1

Grade/Course	Item Type	DOK	NGSS Benchmark	CCSS Benchmark	Point Value
Economics	SR	2	SS.912.E.1.12: Examine the four phases of the business cycle (peak, contraction-unemployment, trough, expansion-inflation).	MACC.K12.MP.3.1	1

The graph below shows a typical business cycle for an economy.



Which outcome is the **most likely** result of properly timed stabilization policies?

- A reduced tax rates
- B increased levels of imports
- C reduced fluctuations in real output
- D increased levels of capital investment

Correct Answer: C. reduced fluctuations in real output

Rationales

A	Properly timed stabilization policies may include reduced tax rates, but their primary goal is to reduce fluctuations in real output.
B	Stabilization policies may affect levels of imports, but their aim is to reduce fluctuations in real output during a business cycle.
C	Correct. Properly timed stabilization policies reduce fluctuations in real output during a business cycle, resulting in lower peaks and higher troughs.
D	Properly timed stabilization policies reduce fluctuations in real output during a business cycle but have no direct effect on levels of capital investment.

Sample Item 2

Grade/Course	Item Type	DOK	NGSS Benchmark	CCSS Benchmark	Point Value
Economics	SHR	2	SS.912.E.1.11: Explain how the Federal Reserve uses the tools of monetary policy (discount rate, reserve requirement, open market operations) to promote price stability, full employment, and economic growth.		1

What action would the Federal Reserve **most likely** take with regards to reserve requirements in response to rapidly increasing consumer prices?

Scoring Exemplar

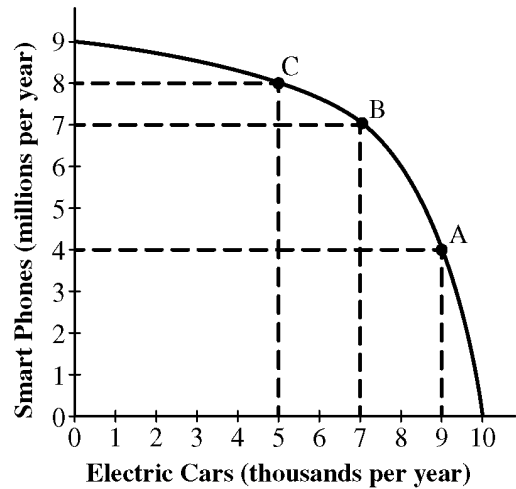
Correct Answer	increase them
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Sample Item 3

Grade/Course	Item Type	DOK	NGSS Benchmark	CCSS Benchmark	Point Value
Economics	CR	3	SS.912.E.1.2: Analyze production possibilities curves to explain choice, scarcity, and opportunity costs.	MACC.K12.MP.3.1	2

The graph below shows the production possibilities curve for a simple economy producing two goods: electric cars and smart phones.

PRODUCTION POSSIBILITIES CURVE



Write a sentence answering each question:

- What would be the opportunity cost of moving from point C to point B?
- Why would the opportunity cost increase as more and more electric cars are produced?

Scoring Rubric and Exemplar

Rubric	
2	A score of two indicates that the student has demonstrated a thorough understanding of the social studies concepts applicable to the prompt. The student has provided a complete and correct response to all parts of the prompt. When required, student explanations are clear and complete. The response may contain minor flaws that do not detract from the demonstration of a thorough understanding.
1	A score of one indicates that the student has demonstrated an incomplete understanding of the social studies concepts applicable to the prompt or has provided a response that is only partially correct. The student may have arrived at an acceptable conclusion but with a flawed or weak application of social studies concepts. The student also may have applied the social studies concepts but failed to fully arrive at the conclusion. The response may contain flaws that detract slightly from the demonstration of understanding.
0	A score of zero indicates that the student has not provided a response or has provided a response that does not demonstrate an understanding of the social studies concepts applicable to the prompt. The student’s explanation may be uninterpretable, lack sufficient information to determine the student’s understanding, or contain clear misunderstandings of the underlying social studies concepts. The response may contain major flaws that detract from the demonstration of understanding.

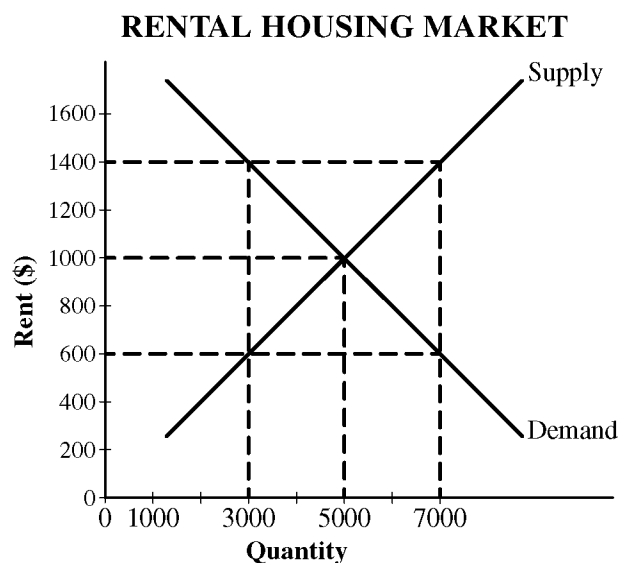
Exemplar	
2	The opportunity cost of moving from point C to point B is 1 million smart phones. The opportunity cost increases as more and more electric cars are produced because the resources are not equally suitable for producing the two goods.

Sample Item 4

Grade/Course	Item Type	DOK	NGSS Benchmark	CCSS Benchmark	Point Value
Economics	ER	2	SS.912.E.2.4: Diagram and explain the problems that occur when government institutes wage and price controls, and explain the rationale for these controls.	MACC.K12.MP5.1	4

Use the information in the graph and the box to answer the question.

The graph below shows the market for rental housing in the city of Grandville.



Assume the city government imposes a rent ceiling of \$600 per month on the market.

Write a paragraph or two in which you answer the following questions related to the graph and the situation described in the box.

- In the absence of the rent ceiling, what is the market equilibrium quantity of rental housing?
- What is the size of the surplus or shortage in the market, if any, as a result of the rent ceiling?
- Which group of people benefits from the rent ceiling?
- Which group of people is hurt by the rent ceiling?

Scoring Rubric and Exemplar

Rubric	
4	A score of four indicates that the student has demonstrated a thorough understanding of the social studies concepts applicable to the prompt. The student has provided a complete and correct response to all parts of the prompt. The appropriate social studies terminology is used correctly. The response may contain minor flaws that do not detract from a demonstration of a thorough understanding.
3	A score of three indicates that the student has demonstrated an understanding of the social studies concepts applicable to the prompt. The student's response to the prompt is essentially correct, but the social studies explanations and/or interpretations provided are not thorough. The response may contain minor flaws that reflect inattentiveness or indicate some misunderstanding of the underlying social studies concepts.
2	A score of two indicates that the student has demonstrated only a partial understanding of the social studies concepts applicable to the prompt. Although the student may have arrived at an acceptable conclusion, the student's work lacks an essential understanding of the underlying social studies concepts. The response may contain errors related to misunderstanding important aspects of the prompt and misuse of social studies terms.
1	A score of one indicates that the student has demonstrated a very limited understanding of the social studies concepts applicable to the prompt. The student's response is incomplete and exhibits many flaws. Although the student's response has addressed some of the conditions of the prompt, the student has reached an inadequate conclusion. The response exhibits many flaws or may be incomplete.
0	A score of zero indicates that the student has not provided a response or has provided a response that does not demonstrate an understanding of the social studies concepts applicable to the prompt. The student's explanation may be uninterpretable, lack sufficient information to determine the student's understanding, or contain clear misunderstandings of the underlying social studies concepts, or it may be incorrect.

Exemplar	
4	<p>The market equilibrium quantity is 5,000 units (where the quantity supplied equals the quantity demanded).</p> <p>A shortage of 4,000 units is created by the rent ceiling ($7,000 - 3,000 = 4,000$ units).</p> <p>The people who benefit from the rent ceiling are those who are able to rent housing at the rent ceiling.</p> <p>The people who are hurt by the rent ceiling are those who are willing to pay more than the rent ceiling but are unable to rent because of inefficient supply; OR the people who are willing to pay the rent ceiling but are unable to rent because of inefficient supply; OR the landlords of the rental housing.</p>

Sample Item 5

Grade/Course	Item Type	DOK	NGSS Benchmark	CCSS Benchmark	Point Value
Economics	ESR	3	SS.912.E.3.5: Compare the current United States economy with other developed and developing nations.	LACC.910.RH.3.7 LACC.910.WHST.1.2	6

The table below shows different measures of economic development for six countries.

	GDP per Capita 2010 (in U.S. Dollars)	Life Expectancy 2010 (in years)	Motor Vehicles 2010 (per 1,000 people)	Infant Mortality Rate 2010 (per 1,000 live births)	Urban Population 2009 (as a percentage of the entire population)	GDP Growth Rate 2010 (as a percentage change)
Mexico	9,133	77	276	14	78%	5.5
Singapore	41,987	82	156	2	100%	14.8
Sri Lanka	2,400	75	47	14	15%	8
Uganda	515	54	8	63	13%	5.9
United Kingdom	36,186	80	523	5	90%	2.1
United States	46,702	78	802	7	82%	3

Source: <http://data.worldbank.org/indicator>

Using the information in the table, write an essay in which you explain the answers to the following questions:

- What are the four stages of economic development?
- What are the characteristics of developed nations?
- Based on the table above, what is one country that is classified as a developed country and why?
- Based on the table above, what is one country that is classified as a less developed country and why?

Be sure to use specific details to support your response.

Scoring Rubric and Exemplar

Rubric	
6	A score of six indicates that the student has demonstrated a thorough understanding of the social studies concepts applicable to the prompt. The response demonstrates a thorough understanding of the connections between the social studies concepts and the real-life application. The student has provided a complete and correct response to all parts of the prompt. The appropriate social studies terminology is used correctly. There are no major conceptual errors, though there may be nondetracting minor conceptual errors.
5	A score of five indicates that the student has demonstrated an understanding of the social studies concepts applicable to the prompt. The response demonstrates an understanding of the connections between the social studies concepts and the real-life application. The student has provided a complete and correct response to all parts of the prompt. The appropriate social studies terminology is used. There are no major conceptual errors, though there may be minor conceptual errors.
4	A score of four indicates that the student has demonstrated a satisfactory understanding of the social studies concepts applicable to the prompt. The response may attempt connections between the social studies concepts and the real-life application. The student has provided a complete and correct response to most parts of the prompt. There are minor errors in the use of social studies terminology. There are minor conceptual errors or omissions.
3	A score of three indicates that the student has demonstrated a limited understanding of the social studies concepts applicable to the prompt. The response demonstrates a limited attempt to make connections between the social studies concepts and the real-life application. The student attempted to provide a response to two or more parts of the prompt. There is limited use of social studies terminology. The response contains some major conceptual errors or omissions.
2	A score of two indicates that the student has some understanding of the social studies concepts applicable to the prompt. The response does not demonstrate an attempt to make connections between the social studies concepts and the real-life application. The student attempted to provide a response to one or more parts of the prompt. The use of social studies terminology may be missing. The response contains many major conceptual errors and omissions. The response shows minimal understanding.
1	A score of one indicates that the student made a limited attempt to answer the prompt. Social studies terminology is missing. The response contains many major conceptual errors or omissions. The explanation shows no understanding.
0	A score of zero indicates the student has demonstrated no understanding of the social studies concept or the response is completely unintelligible.

Exemplar

6

Economic development follows a pattern or sequence of changes: primitive equilibrium, transition, takeoff and semi-development, and then highly developed economy. Developed nations have high per capita GDP; the majority of the population is neither very rich nor very poor. In general, people in developed nations enjoy a greater degree of economic and political freedom than those in less developed countries. People also enjoy a high quality of life, expressed in low infant mortality rates, high life expectancy, and high literacy rates. In developed nations, there is generally a widespread use of technology, which increases the productivity of the work force. Developed nations also tend to be more urbanized, with a majority of the population living in cities. In addition, developed nations have solid physical and financial infrastructures that allow easier transfer of products, services, and funds.

The United States is classified as a developed country because it enjoys a high per capita GDP; high life expectancy rate; low infant mortality rate; high level of car ownership (expressed in the number of motor vehicles per 1,000 people), an indicator of high levels of wealth and consumption; and a high degree of urbanization.

Uganda is classified as a less developed country because it has a very low per capita GDP; low life expectancy rate; high infant mortality rate; low level of car ownership, thus lower levels of wealth and consumption; and a low degree of urbanization.

Sample Item 6

8 points

Introduction:

This task asks students to allocate funds based on personal priorities, using technology to locate the information if necessary. Students will begin by following step-by-step instructions to find information about two types of uses of the funds. Students will use the information to describe the advantages of the two types of usage and will also explain how the two differ.

Component 1

Grade/Course	Item Type	DOK	NGSS Benchmark	CCSS Benchmark	Point Value
Economics	CR	4	SS.912.E.1.16 Construct a one-year budget plan for a specific career path, including expenses and construction of a credit plan for purchasing a major item.	LACC.910.WHST.3.7	2

For this part, you will need a computer with Internet access. Then open a web browser and follow these steps:

1. Go to the Treasury Direct site at: <http://treasurydirect.gov>
2. Under Individuals, choose the “Learn about Treasury Bills, Notes, Bonds, and TIPS” tab.
3. On the next page, you will find information about Treasury bonds.
4. Write a few sentences to describe the risk and returns of investing in Treasury bonds.

Component 2

Grade/Course	Item Type	DOK	NGSS Benchmark	CCSS Benchmark	Point Value
Economics	CR	4	SS.912.E.1.16 Construct a one-year budget plan for a specific career path, including expenses and construction of a credit plan for purchasing a major item.	LACC.910.WHST.3.7	2

For this part, you will need a computer with Internet access. Then open a web browser and follow these steps:

1. Go to the U.S. Securities and Exchange Commission Education site at: <http://investor.gov/>
2. In the “Search” bar, type “stocks” and then click “Go.”
3. Select the appropriate link about stocks.
4. On the next page, you will find information about stocks.
5. Write a few sentences to compare the risk and returns of stocks and bonds.

Component 3

Grade/Course	Item Type	DOK	NGSS Benchmark	CCSS Benchmark	Point Value
Economics	CR	4	SS.912.E.1.16 Construct a one-year budget plan for a specific career path, including expenses and construction of a credit plan for purchasing a major item.	LACC.910.WHST.3.7	4

For this part you will prepare a short presentation on the relationship between risk tolerance and investment decisions.

1. You will need to survey your classmates and collect data based on their responses to the following scenario: Assume that you have \$10,000 to invest over the coming five years in bonds or stocks or both. Choose one of the following options to allocate your initial investment of \$10,000.
 - a. Invest 100% in bonds
 - b. Invest 75% in bonds and 25% in stocks
 - c. Invest 50% in bonds and 50% in stocks
 - d. Invest 25% in bonds and 75% in stocks
 - e. Invest 100% in stocks
2. Collect and compile the responses received from your classmates in a bar graph showing all five options.
3. Prepare a short presentation on the relationship between risk tolerance and investment decisions based on your research and the data collected. In your presentation, provide possible explanations for each group choice.

Modified Rubric/Exemplar

Teacher Instructions:

This performance task consists of three components. The first part requires students to identify the risk and returns of investing in Treasury bonds and is worth two points. The second part requires students to explain in a constructed response how investments in stocks and bonds differ and is also worth two points. The third part requires students to prepare a short presentation on the relationship between risk and investment decisions and is worth 4 points.

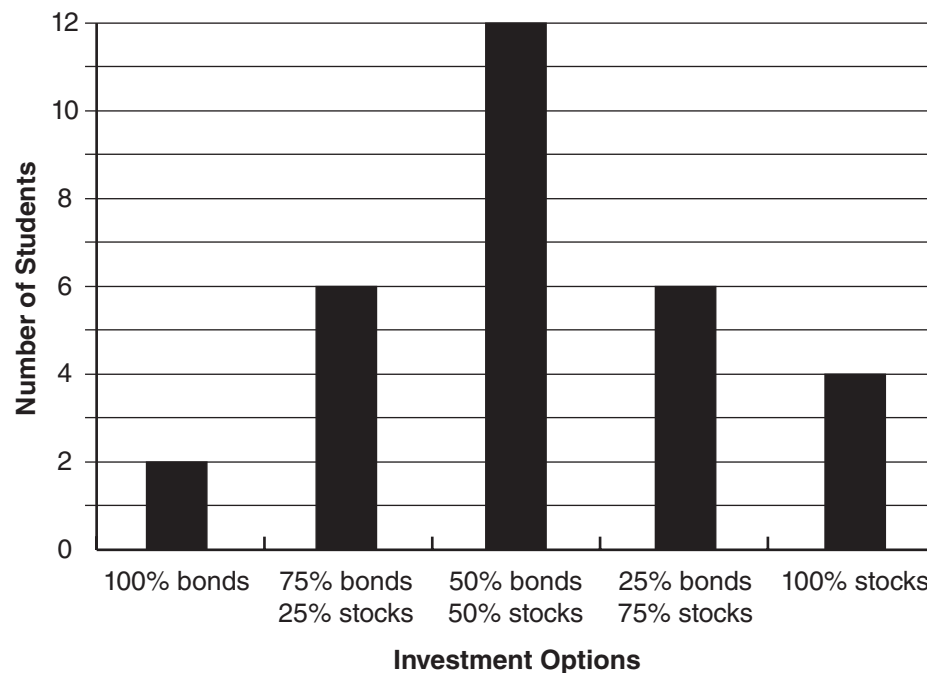
2 points	Component 1 Treasury bonds are issued in terms of 30 years and pay a fixed rate of interest every six months until they mature. Treasury bonds are generally lower-risk investments because they are backed by the full faith and credit of the United States government. Treasury bonds are among the safest investments in terms of risk of default.
2 points	Component 2 Stock owners earn profits from stocks through dividends and capital gains. Stocks are considered a risky investment as their returns are subject to market fluctuations. Stocks are more risky than bonds. When a firm goes bankrupt, it sells its assets and then pays its creditors first. Stockholders receive a share of the assets only if there is money left over after creditors are paid. Treasury bonds are safer investment instruments than stocks because bonds are backed by the full faith of the government, and there is very little risk of default. Bonds also pay fixed interest payments at regular intervals. Bonds are also subject to inflation risk. Stocks may offer a higher rate of return but at a higher risk. Stocks may also pay a quarterly dividend.

4 points

Component 3

The presentation will vary depending on the actual class responses.
There are 30 students in this class.

Investment Options	Number of Students
Invest 100% in bonds	2
Invest 75% in bonds and 25% in stocks	6
Invest 50% in bonds and 50% in stocks	12
Invest 25% in bonds and 75% in stocks	6
Invest 100% in stocks	4



Based on the data collected, students tend to be more risk takers in this class and are willing to earn more variable return.

Only two students chose to invest in 100% in bonds; these students prefer to receive a predictable fixed income from interest payments.

All the other students are open to a variable income, but their degree of risk-taking varies.

Four students chose to invest in 100% in stocks; these students prefer variable income and are thus considered risk takers since the stock's returns are subject to market fluctuations.

The remaining 24 students prefer diversification, following the common sense saying, don't put all your eggs in one basket, and thus invest in a mix of stocks and bonds in their portfolio to enjoy the benefits of both stocks and bonds.

Readability: 7.2

Appendix B: Common Core State Standard Connections

Reading Standards for Literacy in Social Studies—Economics

LACC.910.RH.1.1	Cite specific textual evidence to support analysis of primary and secondary sources, attending to such features as the date and origin of the information.
LACC.910.RH.1.2	Determine the central ideas or information of a primary or secondary source; provide an accurate summary of how key events or ideas develop over the course of the text.
LACC.910.RH.1.3	Analyze in detail a series of events described in a text; determine whether earlier events caused later ones or simply preceded them.
LACC.910.RH.2.4	Determine the meaning of words and phrases as they are used in a text, including vocabulary describing political, social, or economic aspects of history/social science.
LACC.910.RH.2.5	Analyze how a text uses structure to emphasize key points or advance an explanation or analysis.
LACC.910.RH.2.6	Compare the point of view of two or more authors for how they treat the same or similar topics, including which details they include and emphasize in their respective accounts.
LACC.910.RH.3.7	Integrate quantitative or technical analysis (e.g., charts, research data) with qualitative analysis in print or digital text.
LACC.910.RH.3.8	Assess the extent to which the reasoning and evidence in a text support the author’s claims.
LACC.910.RH.3.9	Compare and contrast treatments of the same topic in several primary and secondary sources.
LACC.910.RH.4.10	By the end of grade 10, read and comprehend history/ social studies texts in the grades 9–10 text complexity band independently and proficiently.

Writing Standards for Literacy in Social Studies—Economics

LACC.910.WHST.1.1	<p>Write arguments focused on <i>discipline-specific content</i>.</p> <ol style="list-style-type: none"> Introduce precise claim(s), distinguish the claim(s) from alternate or opposing claims, and create an organization that establishes clear relationships among the claim(s), counterclaims, reasons, and evidence. Develop claim(s) and counterclaims fairly, supplying data and evidence for each while pointing out the strengths and limitations of both claim(s) and counterclaims in a discipline-appropriate form and in a manner that anticipates the audience’s knowledge level and concerns. Use words, phrases, and clauses to link the major sections of the text, create cohesion, and clarify the relationships between claim(s) and reasons, between reasons and evidence, and between claim(s) and counterclaims. Establish and maintain a formal style and objective tone while attending to the norms and conventions of the discipline in which they are writing. Provide a concluding statement or section that follows from or supports the argument presented.
LACC.910.WHST.1.1a	Introduce precise claim(s), distinguish the claim(s) from alternate or opposing claims, and create an organization that establishes clear relationships among the claim(s), counterclaims, reasons, and evidence.
LACC.910.WHST.1.1b	Develop claim(s) and counterclaims fairly, supplying data and evidence for each while pointing out the strengths and limitations of both claim(s) and counterclaims in a discipline-appropriate form and in a manner that anticipates the audience’s knowledge level and concerns.
LACC.910.WHST.1.1c	Use words, phrases, and clauses to link the major sections of the text, create cohesion, and clarify the relationships between claim(s) and reasons, between reasons and evidence, and between claim(s) and counterclaims.
LACC.910.WHST.1.1d	Establish and maintain a formal style and objective tone while attending to the norms and conventions of the discipline in which they are writing.
LACC.910.WHST.1.1e	Provide a concluding statement or section that follows from or supports the argument presented.

LACC.910.WHST.1.2	<p>Write informative/explanatory texts, including the narration of historical events, scientific procedures/experiments, or technical processes.</p> <ul style="list-style-type: none"> a. Introduce a topic and organize ideas, concepts, and information to make important connections and distinctions; include formatting (e.g., headings), graphics (e.g., figures, tables), and multimedia when useful to aiding comprehension. b. Develop the topic with well-chosen, relevant, and sufficient facts, extended definitions, concrete details, quotations, or other information and examples appropriate to the audience’s knowledge of the topic. c. Use varied transitions and sentence structures to link the major sections of the text, create cohesion, and clarify the relationships among ideas and concepts. d. Use precise language and domain-specific vocabulary to manage the complexity of the topic and convey a style appropriate to the discipline and context as well as to the expertise of likely readers. e. Establish and maintain a formal style and objective tone while attending to the norms and conventions of the discipline in which they are writing. f. Provide a concluding statement or section that follows from and supports the information or explanation presented (e.g., articulating implications or the significance of the topic).
LACC.910.WHST.1.2a	Introduce a topic and organize ideas, concepts, and information to make important connections and distinctions; include formatting (e.g., headings), graphics (e.g., figures, tables), and multimedia when useful to aiding comprehension.
LACC.910.WHST.1.2b	Develop the topic with well-chosen, relevant, and sufficient facts, extended definitions, concrete details, quotations, or other information and examples appropriate to the audience’s knowledge of the topic.
LACC.910.WHST.1.2c	Use varied transitions and sentence structures to link the major sections of the text, create cohesion, and clarify the relationships among ideas and concepts.
LACC.910.WHST.1.2d	Use precise language and domain-specific vocabulary to manage the complexity of the topic and convey a style appropriate to the discipline and context as well as to the expertise of likely readers.
LACC.910.WHST.1.2e	Establish and maintain a formal style and objective tone while attending to the norms and conventions of the discipline in which they are writing.

LACC.910.WHST.1.2f	Provide a concluding statement or section that follows from and supports the information or explanation presented (e.g., articulating implications or the significance of the topic).
LACC.910.WHST.2.4	Produce clear and coherent writing in which the development, organization, and style are appropriate to task, purpose, and audience.
LACC.910.WHST.2.5	Develop and strengthen writing as needed by planning, revising, editing, rewriting, or trying a new approach, focusing on addressing what is most significant for a specific purpose and audience.
LACC.910.WHST.2.6	Use technology, including the Internet, to produce, publish, and update individual or shared writing products, taking advantage of technology's capacity to link to other information and to display information flexibly and dynamically.
LACC.910.WHST.3.7	Conduct short as well as more sustained research projects to answer a question (including a self-generated question) or solve a problem; narrow or broaden the inquiry when appropriate; synthesize multiple sources on the subject, demonstrating understanding of the subject under investigation.
LACC.910.WHST.3.8	Gather relevant information from multiple authoritative print and digital sources, using advanced searches effectively; assess the usefulness of each source in answering the research question; integrate information into the text selectively to maintain the flow of ideas, avoiding plagiarism and following a standard format for citation.
LACC.910.WHST.3.9	Draw evidence from informational texts to support analysis, reflection, and research.
LACC.910.WHST.4.10	Write routinely over extended time frames (time for reflection and revision) and shorter time frames (a single sitting or a day or two) for a range of discipline-specific tasks, purposes, and audiences.

<p>MACC.K12.MP.1.1</p>	<p>Make sense of problems and persevere in solving them.</p> <p>Mathematically proficient students start by explaining to themselves the meaning of a problem and looking for entry points to its solution. They analyze givens, constraints, relationships, and goals. They make conjectures about the form and meaning of the solution and plan a solution pathway rather than simply jumping into a solution attempt. They consider analogous problems, and try special cases and simpler forms of the original problem in order to gain insight into its solution. They monitor and evaluate their progress and change course if necessary. Older students might, depending on the context of the problem, transform algebraic expressions or change the viewing window on their graphing calculator to get the information they need. Mathematically proficient students can explain correspondences between equations, verbal descriptions, tables, and graphs or draw diagrams of important features and relationships, graph data, and search for regularity or trends. Younger students might rely on using concrete objects or pictures to help conceptualize and solve a problem. Mathematically proficient students check their answers to problems using a different method, and they continually ask themselves, “Does this make sense?” They can understand the approaches of others to solving complex problems and identify correspondences between different approaches.</p>
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<p>MACC.K12.MP.3.1</p>	<p>Construct viable arguments and critique the reasoning of others.</p> <p>Mathematically proficient students understand and use stated assumptions, definitions, and previously established results in constructing arguments. They make conjectures and build a logical progression of statements to explore the truth of their conjectures. They are able to analyze situations by breaking them into cases, and can recognize and use counterexamples. They justify their conclusions, communicate them to others, and respond to the arguments of others. They reason inductively about data, making plausible arguments that take into account the context from which the data arose. Mathematically proficient students are also able to compare the effectiveness of two plausible arguments, distinguish correct logic or reasoning from that which is flawed, and—if there is a flaw in an argument—explain what it is. Elementary students can construct arguments using concrete referents such as objects, drawings, diagrams, and actions. Such arguments can make sense and be correct, even though they are not generalized or made formal until later grades. Later, students learn to determine domains to which an argument applies. Students at all grades can listen or read the arguments of others, decide whether they make sense, and ask useful questions to clarify or improve the arguments.</p>
<p>MACC.K12.MP.5.1</p>	<p>Use appropriate tools strategically.</p> <p>Mathematically proficient students consider the available tools when solving a mathematical problem. These tools might include pencil and paper, concrete models, a ruler, a protractor, a calculator, a spreadsheet, a computer algebra system, a statistical package, or dynamic geometry software. Proficient students are sufficiently familiar with tools appropriate for their grade or course to make sound decisions about when each of these tools might be helpful, recognizing both the insight to be gained and their limitations. For example, mathematically proficient high school students analyze graphs of functions and solutions generated using a graphing calculator. They detect possible errors by strategically using estimation and other mathematical knowledge. When making mathematical models, they know that technology can enable them to visualize the results of varying assumptions, explore consequences, and compare predictions with data. Mathematically proficient students at various grade levels are able to identify relevant external mathematical resources, such as digital content located on a website, and use them to pose or solve problems. They are able to use technological tools to explore and deepen their understanding of concepts.</p>

MACC.K12.MP.6.1**Attend to precision.**

Mathematically proficient students try to communicate precisely to others. They try to use clear definitions in discussion with others and in their own reasoning. They state the meaning of the symbols they choose, including using the equal sign consistently and appropriately. They are careful about specifying units of measure, and labeling axes to clarify the correspondence with quantities in a problem. They calculate accurately and efficiently, express numerical answers with a degree of precision appropriate for the problem context. In the elementary grades, students give carefully formulated explanations to each other. By the time they reach high school they have learned to examine claims and make explicit use of definitions.