

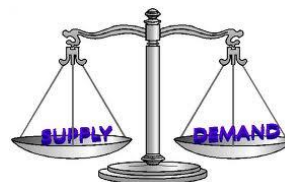
# ECON 1503 Module 1

*(Please enter your name here to get started)*

## Chapter 1 The Economic Problem



## Chapter 2 Demand and Supply



### DEVELOPER'S NOTES:

There were no clearly-stated definitions, minimal diagrams or additional explanatory content in order to incorporate additional interactive features other than the front page graphic and quizzes. Therefore assumptions were made for any Pop-up definitions, images and Hot Spots. Advised to include two chapters for each Module. Built in menu in Storyline2 will provide easy access to desired slides. Advised not to use Lambton logo. Learning objectives were not provided. Assumptions made most students well aware how to use mouse over and clicking action so instructions were only placed on the first slide – option to add to individual slides could be done but will create distraction. Everywhere possible (in particular, quizzes), user cannot advance to next slide without completing requirements. Some content taken from google images and Nelson Publishing Instructor Resources for textbook “Exploring Economics”. Animation of text and pictures entering on slide or emphasized if already on slide will be applied throughout. Suggest in future that SME provide content in groups (subheadings) so content can be grouped appropriately.

#### Treatment:

- Show text and graphic , then click Next

#### Graphic:

- Lady thinking
- Weight scale

#### Pop-up Definition:

- N/A

#### Hot Spots

- N/A

#### Feedback:

- N/A

#### Animation:

- Students will be asked to type their name at the start of each Module as shown

# Chapter 1

## The Economic Problem

What are the possibilities?



*Welcome to the course,  
<student name appears>*

**To get you started:**

*Review each slide, then complete the activity that follows.*

*Throughout the module, hover your mouse over or click on buttons, images and underlined text to display additional information.*

### DEVELOPER'S NOTES:

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#### Treatment:

- Show text and graphic , then click Next

#### Graphic:

- Lady thinking

#### Pop-up Definition:

- N/A

#### Hot Spots

- N/A

#### Feedback:

- N/A

#### Animation:

- N/A

# The Economic Problem

Decision for What?

Decision for Who?

Decision for How?

How are you doing so far <student name appears>?



**DEVELOPER'S NOTES:** Hot spots can be applied as sticky notes throughout.

**Treatment:**

- User to rollover over buttons
- User to click Next

**Graphic:**

- Lady thinking

**Pop-up Definition/Graphic:**

- N/A

**Hot Spots:**

- **Decision for What?:** Every economy has to decide: *What to Produce?*
- **Decision for How?:** Every economy has to decide: *How to Produce the Goods and Services?*
- **Decision for Who?:** Finally, every economy has to determine: *Who Will Get the Goods and Services?*

**Feedback:**

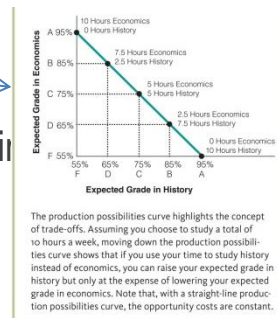
- N/A

**Animation:**

- Student name will appear as shown.

## The Economic Problem

- The production possibilities curve represents the potential total output combinations of two goods available to a society **given** its resources and existing technology.



### DEVELOPER'S NOTES:

#### Treatment:

- User to click on underlined text for pop ups
- User to rollover hot spot for description
- User to click Next

#### Graphic:

- Lady thinking
- Production possibilities curve (CH 3 poss curve)
- No wasted resources (CH 3 waste)

#### Pop-up Definition/Graphic:

- production possibilities curve:** shows image and text (will appear much larger than shown above – did not enlarge here in order to avoid blocking other information/images on slide)

#### Hot Spots

- No wasted resources:** Efficiency requires society to use its resources to the fullest extent — no wasted resources. If the economy is operating within (under) the production possibilities curve, the economy is operating inefficiently.

#### Feedback:

- N/A

#### Animation:

- N/A

## The Economic Problem



The production possibilities model is an effective way of illustrating the economic concepts of scarcity, choice, opportunity costs, efficiency, and economic growth.

**Activity**



### DEVELOPER'S NOTES:

#### Treatment:

- Read text.
- User to rollover images for description
- User to click on Activity button for Quiz

#### Graphic:

- Lady thinking
- Pig on money (CH 3 costs)

#### Pop-up Definition:

- No definitions provided

#### Rollovers

- **Costs:** The cost of altering production within the production possibilities curve framework, at efficiency, is measured in forgone units of the sole alternative
- **Law:** A bowed production possibilities curve means that the opportunity costs of producing additional units of a good rise as society produces more of that good (invoking the law of increasing opportunity costs).
- **Scarcity:** Economic growth is represented by an outward shift of the production possibilities curve, indicating an increase in the possibility of producing more of all goods. Despite this, scarcity inevitably remains a fact of life.

#### Hot Spots

- **Activity** – jumps to Quiz

#### Feedback:

- N/A

#### Animation:

- N/A

## The Economic Problem

Read each statement below, then **click** the correct response on the right.



1. The production possibilities curve for an economy that experiences a constant opportunity cost of production is linear (a straight line).	<u>True</u>	False
2. An increase in available resources will tend to cause a society's production possibilities curve to shift inward.	True	<u>False</u>
3. An economy that has many unemployed workers and idle factories is not operating efficiently.	<u>True</u>	False
4. The production possibilities curve marks the boundary between attainable and unattainable combinations of output.	<u>True</u>	False
5. Any output combination outside the production possibilities curve is attainable in the current period only if prices decrease.	True	<u>False</u>

**DEVELOPER'S NOTES:** The actual format that would be created in SL2 would be to have all quiz questions on one slide with a scroll feature and the user would click on a button for true or false. Another option is to display each question on separate slide. Whatever format is used will apply, and not repeated in notes, for each quiz slide.

### Treatment:

- If user clicks underlined option – show “Correct” and Happy sound, otherwise show “Incorrect” and Sad sound.
- All statements must be attempted before user is instructed and allowed to “Continue” to next slide.

### Graphic:

- Question mark indicating a quiz

### Pop-up Definition:

- N/A

### Hot Spots

- xx

### Feedback:

- Only feedback to show is either “Correct” or “Incorrect”.
- No other feedback provided.

### Animation:

- Quiz image - emphasis

## The Economic Problem

Read each statement below, then **click** the correct response on the right.



6. The law of increasing opportunity costs implies that a society's production possibilities curve will be a straight line	True	<u>False</u>
7. An improvement in technology will tend to cause a society's production possibilities curve to shift outward.	<u>True</u>	False
8. Movement from one point on the production possibilities curve to another leads to more of both goods being produced.	True	<u>False</u>
9. An increase in an economy's capital stock increases its future productive capacity.	<u>True</u>	False
10. High economic growth can eventually eliminate the problem of scarcity.	True	<u>False</u>

Congratulations <student name appears>. You just completed Chapter 1 !

### DEVELOPER'S NOTES:

#### Treatment:

- If user clicks underlined option – show “Correct” and Happy sound, otherwise show “Incorrect” and Sad sound.
- All statements must be attempted before user is instructed to “Continue” to next slide.

#### Graphic:

- Question mark indicating a quiz

#### Pop-up Definition:

- N/A

#### Hot Spots

- N/A

#### Feedback:

- Only feedback to show is either “Correct” or “Incorrect”.
- No other feedback provided.

#### Animation:

- Quiz image – emphasis
- Student name will appear as shown



**DEVELOPER'S NOTES:** Student name scenario will appear throughout all three modules.

**Treatment:**

- Show text and graphic , then click Next

**Graphic:**

- Couple shopping (graphic not provided)

**Pop-up Definition:**

- N/A

**Hot Spots**

- N/A

**Feedback:**

- N/A

**Animation:**

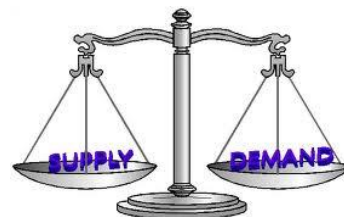
- Student name will appear as shown

## Demand and Supply

**What does a market consist of?**



Who does what?



### DEVELOPER'S NOTES:

#### Treatment:

- User to mouse over button
- User to click on hot spot image
- User to click Next

#### Graphic:

- Buyers and sellers (CH 4 buyers and sellers)

#### Pop-up Definition:

- No definitions provided

#### Hot Spots

- **What does a market consist of?:** Markets consist of buyers and sellers exchanging goods and services with one another.
- **Who does what?:** Buyers determine the demand side of the market and sellers determine the supply side of the market.

#### Feedback:

- N/A

#### Animation:

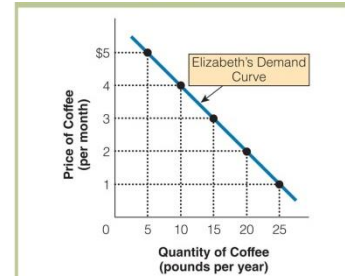
- N/A

## Demand and Supply

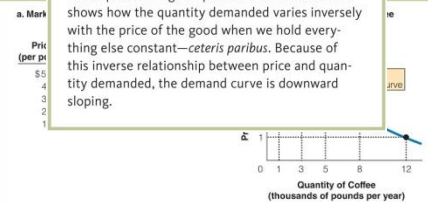
**Law of Demand:** The law of demand states that when the price of a good falls (rises), the quantity demanded rises (falls), *ceteris paribus*.

Individual Demand Curve

Market Demand Curve



The dots represent various quantities of coffee that Elizabeth would be willing and able to buy at different prices in a given period. The demand curve shows how the quantity demanded varies inversely with the price of the good when we hold everything else constant—*ceteris paribus*. Because of this inverse relationship between price and quantity demanded, the demand curve is downward sloping.



The market demand curve shows the amounts that all the buyers in the market would be willing and able to buy at various prices. We find the market demand curve by adding horizontally the individual demand curves. For example, when the price of coffee is \$2 per pound, consumers in the market collectively would be willing and able to buy 8,000 pounds per year. At \$1 per pound, the amount collectively demanded would be 12,000 pounds per year.

### DEVELOPER'S NOTES:

#### Treatment:

- User to click on hot spots – (will appear much larger than shown above – did not enlarge here in order to avoid blocking other information/images on slide). All images throughout the modules will have a Close (X) option where User is asked to click.
- User to click Next once all action taken

#### Graphic:

- Law of demand
- Individual demand curve
- Market demand curve

#### Pop-up Definition:

- ceteris paribus - holding all other things constant

#### Hot Spots:

- **Individual Demand Curve:** image and description (will appear much larger than shown above – did not enlarge here in order to avoid blocking other information/images on slide)
- **Market Demand Curve:** image and description (will appear much larger than shown above – did not enlarge here in order to avoid blocking other information/images on slide)

#### Feedback:

- N/A

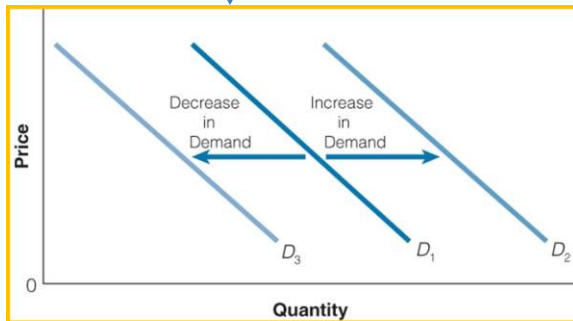
#### Animation:

- N/A

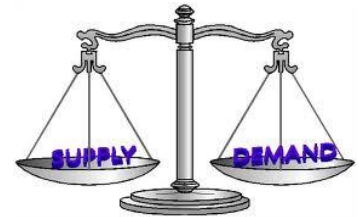
# Demand and Supply

Read and click on each button

- ✓ A change in the quantity demanded describes a movement along a given demand curve in response to a change in the price of the good.
- ✓ A change in demand shifts the entire demand curve in response to a change in some determinant of demand.
- ✓ Some possible determinants of demand (demand shifters) are the prices or related goods, income, number of buyers, tastes, and expectations



Demand Shifts



## DEVELOPER'S NOTES:

### Treatment:

- User to click on each button to the left of each text line – a checkmark will appear. This will occur for each slide throughout all modules where bulleted text appears.
- Slide will not advance until action completed
- User then click Next

### Graphic:

- Weight scale (file not provided)
- Image: Demand Shifts

### Pop-up Definition:

- **demand shifts:** shows image (will appear much larger than shown above – did not enlarge here in order to avoid blocking other information/images on slide)

### Hot Spots

- N/A

### Feedback:

- N/A

### Animation:

- Bulleted text to appear one line at a time. User to click after each line. This will occur for each slide throughout all modules where bulleted text appears.

## Demand and Supply

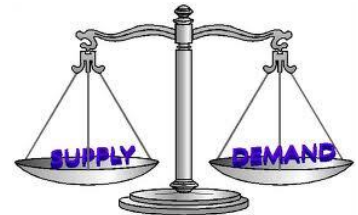
The price of a substitute is positively related to the demand curve for the good in question

Taste changes will shift the demand curve; and changes in expected future prices and income can shift the current demand.

The price of a complement is inversely related to the demand curve for the good in question.

**Demand  
Curve**

The demand curve will vary according to the number of consumers in the market.



### DEVELOPER'S NOTES:

#### Treatment:

- User to complete action before it will allow to advance to next slide
- Then click Next

#### Graphic:

- Weight scale (file not provided)

#### Pop-up Definition:

- No definitions provided

#### Rollovers

- N/A

#### Hot Spots

- N/A

#### Feedback:

- N/A

#### Animation:

- User to click on text **Demand Curve**.
- Each click displays a new statement.
- Will display larger than shown for easy read.

## Demand and Supply

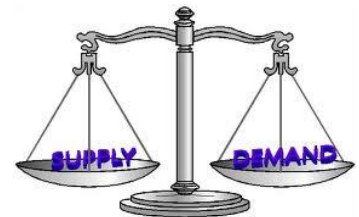


- In the midst of a recession, is it possible that many people will increase their demand for fast-food restaurants like McDonald's?
- It is not only possible, it actually happened! If declining income causes demand for a good to rise, is it a normal good or an inferior good?

Normal goods

Inferior goods

*Hover mouse over buttons to see how income is related to each good*



### DEVELOPER'S NOTES:

#### Treatment:

- User to complete action before it will allow to advance to next slide
- Then click Next

#### Graphic:

- Weight scale (file not provided)

#### Pop-up Definition:

- No definitions provided

#### Rollovers

When user hovers mouse over buttons, respective text will appear.

- **Normal goods** - Income is positively related to the demand curve for the good in question.
- **Inferior goods** – Income is inversely related to the demand curve for the good in question.

#### Hot Spots

- N/A

#### Feedback:

- N/A

#### Animation:

- N/A

## Demand and Supply

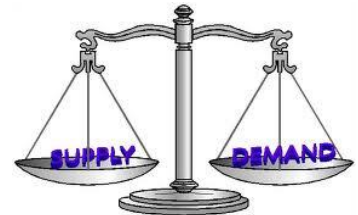
*Read and click on each button*

- ✓ The law of supply states that the higher (lower) the price of the good, the greater (smaller) the quantity supplied, ceteris paribus.
- ✓ The individual supply schedule and curve show the positive relationship between the price and quantity supplied of a given good or service.
- ✓ The market supply curve is a graphical representation of the amount of goods and services that suppliers are willing and able to supply at various prices.
- ✓ At equilibrium there are no shortages or surpluses.

Market surplus

Market shortage

*Hover mouse over buttons for more on quantity supplied versus demanded*



**DEVELOPER'S NOTES:** The round buttons and checkmark action can be applied to all static statements throughout this project. This note will not be repeated in subsequent slides.

### Treatment:

- User to click on each button to the left of each text line – a checkmark will appear
- Slide will not advance until action completed
- User then click Next

### Graphic:

- Weight scale (file not provided)

### Pop-up Definition:

- No definitions provided

### Hot Spots

When user hovers mouse over buttons, respective text will appear.

- **Market surplus** – When quantity supplied exceeds quantity demanded. Prices fall.
- **Market shortage** – When quantity demanded exceeds quantity supplied. Prices rise.

### Feedback:

- N/A

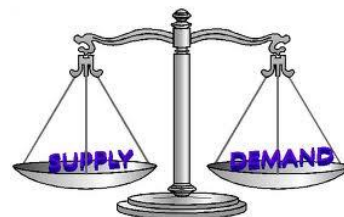
### Animation:

- N/A

## Demand and Supply

Read and click on each button

- ✓ Changes in *demand* and changes in *supply* will cause change in equilibrium price and quantity, *ceteris paribus*.
- ✓ When simultaneous shifts occur in both supply and demand curves, either equilibrium price or quantity will be indeterminate without more information.
- ✓ Price controls involve government mandates to keep prices above or below the market-determined equilibrium price.
- ✓ Price ceilings are government-imposed maximum prices. When set **below** equilibrium price, *shortages* will result.
- ✓ Price floors are government-imposed minimum prices. When set **above** equilibrium price, *surpluses* will result.



### Activity

#### DEVELOPER'S NOTES:

##### Treatment:

- User to click on each button to the left of each text line – a checkmark will appear
- Slide will not advance until action completed
- User then click Next

##### Graphic:

- Weight scale (file not provided)

##### Pop-up Definition:

- No definitions provided

##### Hot Spots

- **Activity** – Jumps to Quiz

##### Feedback:

- N/A

##### Animation:

- N/A

## Demand and Supply

Read each statement below, then **click** the correct response on the right.



1. If the price of pizza falls, the demand for pizza will rise.	True	<u>False</u>
2. The income effect explains why people tend to purchase more of a good when their nominal income increases.	True	<u>False</u>
3. The substitution effect helps to explain why demand curves are downward.	<u>True</u>	False
4. The law of supply suggests that a decrease in the price of a product will increase the quantity supplied for that product.	<u>True</u>	False
5. Increasing government taxation or regulation of an industry generally increases the supply of goods.	True	<u>False</u>

### DEVELOPER'S NOTES:

#### Treatment:

- If user clicks underlined option – show “Correct” and Happy sound, otherwise show “Incorrect” and Sad sound.
- All statements must be attempted before user is instructed to “Continue” to next slide.

#### Graphic:

- Question mark indicating a quiz

#### Pop-up Definition:

- N/A

#### Hot Spots

- N/A

#### Feedback:

- Only feedback to show is either “Correct” or “Incorrect”.
- No other feedback provided.

#### Animation:

- Quiz image - emphasis

## Demand and Supply

Read each statement below, then **click** the correct response on the right.



6. If the market for peaches is in equilibrium at \$2.99 per pound, a decrease in the supply of peaches will cause a surplus of peaches at that price.	True	<u>False</u>
7. Starting from an initial equilibrium price, a surplus at that price can be created either by an increase in supply or a decrease in demand.	<u>True</u>	False
8. <i>Ceteris paribus</i> , if doctors were to discover that eating spinach reduces a person's cholesterol (a major cause of heart disease); the demand curve for spinach will shift to the right.	<u>True</u>	False
9. Price ceilings cause surpluses.	True	<u>False</u>
10. Price "floors" get their name from the fact that they represent a minimum price below which the legal price cannot fall.	<u>True</u>	False

### DEVELOPER'S NOTES:

#### Treatment:

- If user clicks underlined option – show "Correct" and Happy sound, otherwise show "Incorrect" and Sad sound.
- All statements must be attempted before user is instructed to "Continue" to next slide.

#### Graphic:

- Question mark indicating a quiz

#### Pop-up Definition:

- N/A

#### Hot Spots

- N/A

#### Feedback:

- Only feedback to show is either "Correct" or "Incorrect".
- No other feedback provided.

#### Animation:

- Quiz image - emphasis