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## Principles of Economics || Thinking Outside the Margin

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### *Goals & Objectives*

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- Students will critically-think and then write about a hypothetical scenario.
- Students will understand business practices and how companies think outside of the margin to increase revenue.
- Students will use mathematics to determine the point of diminishing marginal return.
- Students will mathematically compute total revenue and total costs to determine an entities total profit.
- Students will collaborate to pull all components of the lesson together.

### *California State Content Standards*

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- 12.1.2. Explain opportunity cost and marginal benefit and marginal cost.

### *Common Core Literacy Standards*

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#### [CCSS.ELA-Literacy.W.11-12.2](#)

Write informative/explanatory texts to examine and convey complex ideas, concepts, and information clearly and accurately through the effective selection, organization, and analysis of content.

#### [CCSS.ELA-Literacy.W.11-12.2.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.

#### [CCSS.ELA-Literacy.SL.11-12.1](#)

Initiate and participate effectively in a range of collaborative discussions (one-on-one, in groups, and teacher-led) with diverse partners on grades 11-12 topics, texts, and issues, building on others' ideas and expressing their own clearly and persuasively.

#### [CCSS.ELA-Literacy.SL.11-12.1.b](#)

Work with peers to promote civil, democratic discussions and decision-making, set clear goals and deadlines, and establish individual roles as needed.

### *Driving Historical Question*

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How does it affect the labor force and consumers when companies think at the margin?

### *Lesson Introduction (Anticipatory Set) ||*

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After the bell rings, students will listen as the teacher presents the daily goals and objectives listed on the front board. The students will know that they must write these objectives and vocabulary in their notebooks.

After, the teacher will instruct students to look at the PowerPoint. This PowerPoint will include a prompt that requires them to apply previous content, and will connect such with the upcoming content. This is conducted in a Quick Write format in which students consider the cost of making a Domino's Pizza. After, they will consider the cost of making subsequent pizzas. This activity is intended to get students thinking about the margin and how to use this information in a business setting. After writing their responses, the teacher will discuss the

activity on a PowerPoint so students can see how businesses think when producing merchandise/products. This will be conducted as a class-wide discussion.

### Vocabulary (Content Language Development) ||

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Students will be introduced to vocabulary prior to actual content delivery. The teacher will define a second time prior to the reading. S/he will also define as the read is in progress. Students will be required to academically use these terms as they both read and write.

- Margin
- Product of Labor
- Diminishing Marginal Return
- Fixed Cost
- Variable Cost
- Cost of Production
- Revenue

### Content Delivery (Method of Instruction) ||

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After having a group discussion about the aforementioned Quick Write, students will have the opportunity to think about times they have thought “outside the margin.” In other words, they will be prompted to think about a time when they bought a little more or a little less of something. To get students thinking, the teacher will present his/her own example. After students have had an opportunity to think and share with a partner, they will discuss as a class.

Next, students will have an opportunity to see how thinking outside of the margin works in a fictitious company. Using a PowerPoint, the teacher will “hire” students to work a hamburger establishment. There will be several positions. As each student is “hired” they will see the growing marginal product of labor. After several workers, the students will experience the point of “diminishing marginal return.” This activity will be done as a whole class and they will work the information out on their worksheet. Students will be able to see the point in which it does not make “sense” to hire additional employees.

Next, the teacher will discuss other facets of thinking at the margin. In this portion of the lesson, the students take notes and offer ideas. Such information that is presented include; fixed and variable costs, production within the United States, and business practices based on projections. Using all of this information, students will be instructed to calculate profit based on the revenue and costs of another fictitious company.

### Student Engagement (Critical Thinking & Student Activities) ||

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Students will begin class by writing down the vocabulary and objectives in their binders. This will get them thinking about the upcoming lesson. Once completed, the students will engage in a Quick Write activity in which they think about the cost of producing pizza as a pizza company. This activity will show them the real cost of production when running a business. Students will apply this knowledge to their personal lives by thinking about a time when they thought “outside the margin” in their own lives. This makes the material more assessable to this age group.

Next, students will volunteer to work in a fictitious company. In this company, several students will be selected to work in different positions. Students will follow along on their worksheets as they participate in the activity. At a certain point, one student will be the point

of “diminishing returns.” This student will cost the company money. In this activity, the students will see that at a certain point, more is not better. As the activity progresses, students will have to complete the graph on their own after the teacher models the first few rounds.

This activity will be followed by lecture. The students will listen and take notes as the teacher discussed fixed and variable costs. They will understand the largest costs to businesses, and see a visual representation of how minimum wage affects each state. This will be followed by an activity where students calculate profit. Once again they use numbers of a fictitious company. Using total revenue and total costs, the students will calculate profit on their own. Once they arrive at a number, they will pair and compare answers. Finally, they will redirect their attention to the front and listen as the teacher discusses the answer.

### Lesson Closure ||

Students will work with a partner to create their own business. They will determine the type of product they are selling (1 item), their management’s salary, their hourly worker’s salary, the price of 1 unit of merchandise, and then work as a team to determine the remaining columns. This will be completed on a worksheet that contains a formatted grid and the instructions. The instructions will also be placed on the PowerPoint so students can reference it as they work on the assignment. Students will be able to use their notes as they complete their grid. This particular assignment will be used as an exit slip so the teacher can assess understanding.

### Assessments (Formative & Summative)

Students will be assessed several times during the lesson. The teacher will check prior knowledge during the opening activity. At this time, they will hypothetically think about an ad and, before learning the material, attempt to answer the prompt. During this time the teacher will walk around to determine preliminary understanding of the material.

Another assessment will be preformed during the student activities, whether they are conducting individual work, pair sharing, or sharing as a class, the teacher will assess understanding. During individual and paired time, the teacher will once again walk around. S/he will ask and answer questions of those who are struggling, and prompt students who demonstrate mastery, to answer higher-order thinking questions. His/her findings will determine the next portion of the lesson.

Finally, the teacher will assess understanding during the paired activity. This will be an assignment that pulls all components of the lesson together. This assessment will be conducted as the teacher walks around to guide students and will be used as a summative assessment that is collected at the end of the period. Although this will not be graded, this will help the teacher determine if the material has to be revisited in subsequent lessons.

### Accommodations for English Learners, Striving Readers and Students with Special Needs

Although the material can be hard for the class to relate, all student needs will be addressed during the course of the lesson. Students will have the opportunity to read a Domino’s Pizza ad and answer a basic question within their notebooks. During this opening activity, the ad remains on the front board. When answering, they first write their responses and then discuss as a class. Students who struggle with writing will hear how others responded.

Additionally, math will be conducted in a series of steps. In other words math problems will be broken down and presented on the front board. All problems will be accompanied by formulas that are listed on the front board and PowerPoint as the instructor teaches the

process. Once students are directed to solve problems on their own, they will be able to reference these formulas.

Finally, all notes are guided. This frees students up to watch the lesson without devoting too much of their time trying to write down every word. This pairs well with the fact that notes and lectures are split into segments. As students learn the material, they are able to work with partners as they apply what has been taught.

All of these strategies are conducive to student learning of all abilities but especially to those with other needs. This includes English language learners. By providing information in a number of ways, more students can be taught and content retention becomes higher.

### Resources (Books, Websites, Handouts, Materials)

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- PowerPoint: "Thinking Outside the Margin"
- Worksheet: "Thinking Outside the Margin"
- Worksheet: "Bringing it All Together"
- Pen/Pencil
- Paper