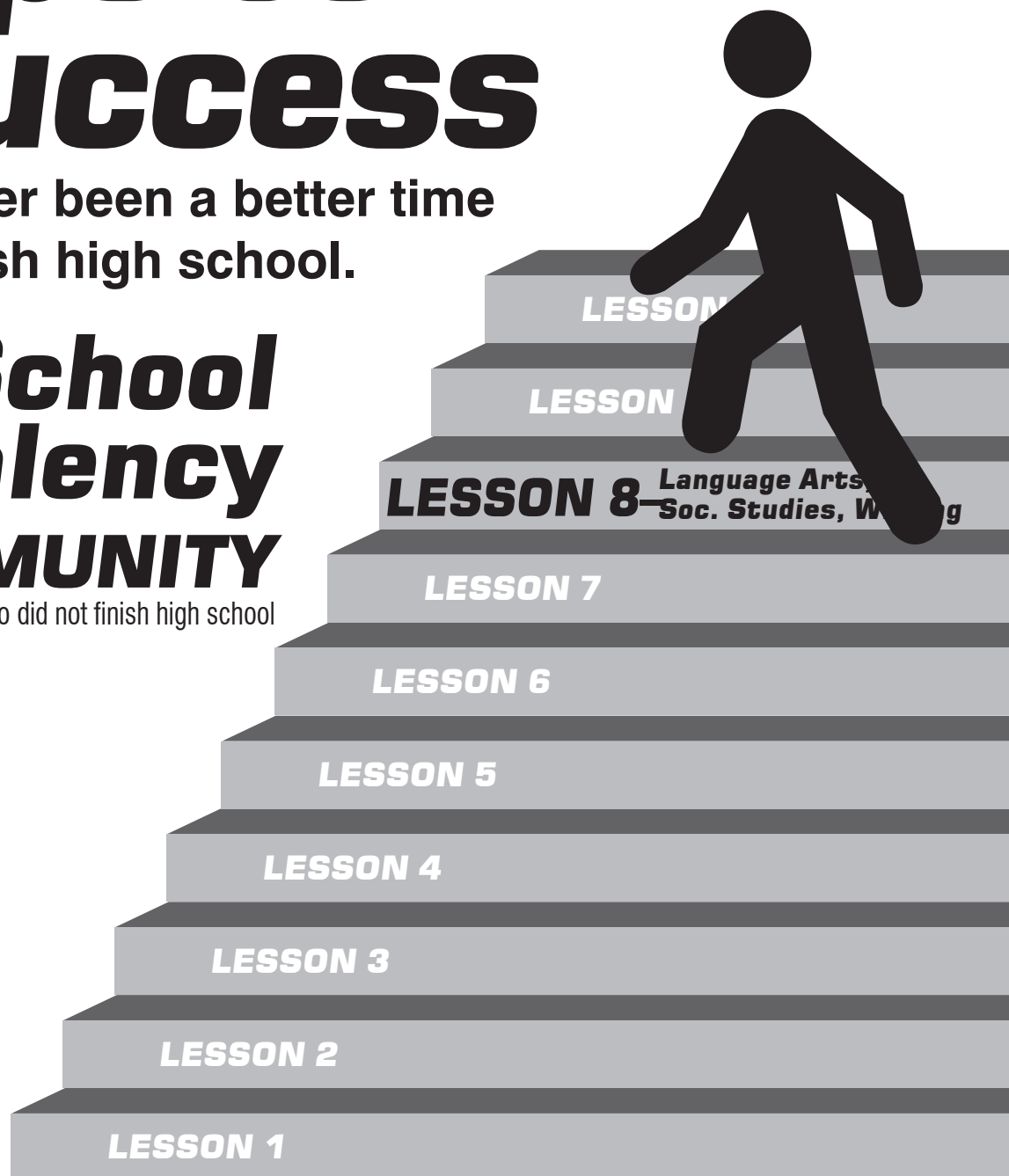


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# LESSON 8

## Reasoning through Language Arts



### Vocabulary to Know

**Figurative Language**—Language used by writers to produce images in readers' minds and to express ideas in fresh, vivid, and imaginative ways.

**Rhetoric**—the art of effective or persuasive speaking or writing, especially the use of figures of speech and other compositional techniques. Language designed to have a persuasive or impressive effect on its audience, but often regarded as lacking in sincerity or meaningful content.

As a painter uses brushes and paint to create an image, a writer also has tools to create an effect. One of these tools is the use of **figurative language**, where the writer changes or enhances the normal meaning of words. This enhancement falls into a number of categories, called collectively “figures of speech.” These categories include **metaphor**, **simile**, **personification**, **hyperbole**, and **onomatopoeia**.

When you hear a tongue twister, you are hearing repetition of a particular sound. This use of repetition typically occurs within the beginning of each word and is commonly known as **alliteration**. “Sally sells seashells by the seashore” is an example of this literary device used in a tongue twister.

### ASSIGNMENT 1

#### DIRECTIONS

Read the following passages.  
Underline each example of *alliteration* you find.

#### From the Inaugural Address of President John F. Kennedy January 20, 1961

Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe, to assure the survival and the success of liberty.

So let us begin anew—remembering on both sides that civility is not a sign of weakness, and sincerity is always subject to proof. Let us never negotiate out of fear, but let us never fear to negotiate.

Finally, whether you are citizens of America or citizens of the world, ask of us here the same high standards of strength and sacrifice which we ask of you. With a good conscience our only sure reward, with history the final judge of our deeds, let us go forth to lead the land we love, asking His blessing and His help, but knowing that here on earth God's work must truly be our own.

# LESSON 8

## Reasoning through Language Arts



### From “Kidnapped” by Robert Louis Stevenson

Here he cast about for a comfortable seat, lighted on a big boulder under a birch by the trackside, sat down upon it with a very long, serious upper lip, and the sun now shining in upon us between two peaks, put his pocket-handkerchief over his cocked hat to shelter him.

By this time, now and then sheering to one side or the other to avoid a reef, but still hugging the wind and the land, we had got round Iona and begun to come alongside Mull. The tide at the tail of the land ran very strong, and threw the brig about. Two hands were put to the helm, and Hoseason himself would sometimes lend a help; and it was strange to see three strong men throw their weight upon the tiller, and it (like a living thing) struggle against and drive them back. This would have been the greater danger had not the sea been for some while free of obstacles. Mr. Riach, besides, announced from the top that he saw clear water ahead.

### ASSIGNMENT 2

A **hyperbole** is an extreme exaggeration. An example of this is the sentence, “My books weigh a ton.” The books could not weigh a ton, but the exaggeration makes a more interesting sentence than merely saying “My books were heavy.”

### DIRECTIONS

Read each following sentence. If the sentence contains a hyperbole, write “hyperbole” in the blank. If it does not have one, write “none” in the blank.

1. I’m so hungry I could eat a whole elephant! \_\_\_\_\_
2. May is the nicest month of the year.  
\_\_\_\_\_
3. Her brightly colored dress hurt his eyes.  
\_\_\_\_\_
4. Larry was such a big baby that this parents had to use bed sheets for diapers.  
\_\_\_\_\_

### ASSIGNMENT 3

An **onomatopoeia** is any word that indicates a sound is being made. Snap! Boom! Crackle! These are all examples of onomatopoeia, along with words, such as “meow” and “ding dong,” This figure of speech is commonly used to create a **convivial** tone (*friendly, lively, or enjoyable tone*) in writing, and adds high energy to the text.

An **oxymoron** is a set of words that when put side by side, seem to be contradictory to one another. This figure of speech is common in our everyday language, and we might not even notice it! Some great examples of an oxymoron are: “civil war,” “bittersweet” and “dull roar.”

“You can save money by spending it,” is a phrase that seems self-contradictory, however, it might actually hold some truth. This type of phrase is known as a paradox. **Paradoxes** are a more complicated literary device, but can add interest and wit to writing. Hamlet holds a great example of paradox used by Shakespeare, “I must be cruel to be kind.”

An **oxymoron** is a short phrase that contradicts itself, while a **paradox** is a larger sentence, situation or idea that is an apparent contradiction. In this worksheet you will determine which is used in a variety of passages.

# LESSON 8

## Reasoning through Language Arts



### Part I.

Below is a collection of paradoxes and oxymorons. Identify each by writing paradox or oxymoron in the blank.

1. It's a definite maybe that Talia will come to the party.

---

2. I must be cruel to be kind.

---

3. There was a deafening silence in the stadium.

---

4. Robin Hood was an honest thief.

---

5. No one goes to that store because it is too crowded.

---

6. She was busy doing nothing.

---

### Part II.

The following quotation from George Orwell's "Animal Farm" is a paradox that contains an oxymoron.

#### **DIRECTIONS**

Identify the oxymoron and explain why it is a paradox.

All animals are equal, but some animals are more equal than others.

Oxymoron: \_\_\_\_\_

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### **ASSIGNMENT 4**

**Personification** is when a human characteristic is given to an inanimate object, an animal, or any other item that is not human. For example, an author may write about a dog that can speak. Can dogs really speak? No, the author has personified the dog by giving it the ability to talk. Personification is a common literary technique and is used to bring situations and characters to life.

#### **EXAMPLE:**

The sad clouds were ready to spill their tears upon the funeral procession.

Clouds cannot be sad, nor do they have tears.

# LESSON 8

## Reasoning through Language Arts



### DIRECTIONS

Read each passage from literature below. Cite two examples of how personification is used in each passage. Explain how the personification enhances the description of the subject of the personification. Use a separate sheet of paper.

#### 1. “Call of the Wild” by Jack London

His father, Elmo, a huge St. Bernard, had been the Judge’s inseparable companion, and Buck bid fair to follow in the way of his father. He was not so large, —he weighed only one hundred and forty pounds, —for his mother, Shep, had been a Scotch shepherd dog. Nevertheless, one hundred and forty pounds, to which was added the dignity that comes of good living and universal respect, enabled him to carry himself in right royal fashion.

During the four years since his puppyhood he had lived the life of a sated aristocrat; he had a fine pride in himself, was even a trifle egotistical, as country gentlemen sometimes become because of their insular situation.

#### 2. “I Wandered Lonely as a Cloud (Daffodils)” by William Wordsworth

I wandered lonely as a Cloud  
That floats on high o’er Vales and Hills,  
When all at once I saw a crowd  
A host of dancing Daffodils;  
Along the Lake, beneath the trees,  
Ten thousand dancing in the breeze.

The waves beside them danced, but they  
Outdid the sparkling waves in glee: —  
A poet could not but be gay  
In such a laughing company:  
I gaz’d—and gaz’d—but little thought  
What wealth the shew to me had brought

### ASSIGNMENT 5

A **simile** is a figure of speech that compares two unlike things. Many writers use the words “like” or “as” to compare the two items. A great example of simile can be found in J. M. Barrie’s “Peter Pan,” “her romantic mind was like the tiny boxes, one within the other, that came from the puzzling East...”

### DIRECTIONS

Circle the simile in each sentence. On the line, explain what is being compared to what.

#### 1. Andrew is as sly as a fox.

\_\_\_\_\_ is being compared to \_\_\_\_\_.

#### 2. He was as nervous as a cat around a room full of rocking chairs.

\_\_\_\_\_ is being compared to \_\_\_\_\_.

#### 3. Annastasia had a smile as sweet as sugar.

\_\_\_\_\_ is being compared to \_\_\_\_\_.

#### 4. After he finished playing the basketball game, his hair was oily like fried chicken.

\_\_\_\_\_ is being compared to \_\_\_\_\_.

# LESSON 8

## Reasoning through Language Arts



### ASSIGNMENT 6

**Metaphors** can be seen in all different types of literature and are important in demonstrating and understanding relationships and situations.

A **metaphor** is one kind of figurative language. "She is the apple of my eye" is a phrase that we have all heard once or twice. But is there really an apple in a person's eye? No, this is just a metaphor to demonstrate how dear a person is to the one speaking. A **metaphor** makes a direct comparison of two unlike things. You can tell the difference between a metaphor and a simile because a simile uses the words "like" or "as", and a metaphor does not. Metaphors often use a form of the verb "to be". The verb can be in the past tense (was, were), the present tense (am, is, are), or future tense (will be).

#### DIRECTIONS

Read each sentence below. Underline the metaphor. Circle the people or objects that the metaphor is being used to compare.

1. The calm lake was a mirror, reflecting the mountains in the distance.
2. When my dad makes up his mind he is a rock, not budging an inch.
3. The lava was a blanket of fire that scorched all the plants in its path.
4. Spinning contentedly, the spider was an artist preparing a masterpiece

### ASSIGNMENT 7

#### PART I. DIRECTIONS

Match each phrase to the correct type of figurative language by writing the correct letter in the blank.

TYPE	PHRASE
1. _____ alliteration	A. His heart was a block of ice.
2. _____ simile	B. open secret
3. _____ metaphor	C. pink and purple popsicles
4. _____ onomatopoeia	D. The cup danced joyfully across the table
5. _____ oxymoron	E. heavy as a rock
6. _____ hyperbole	F. She was humming a song.
7. _____ personification	G. Everyone knows that!

#### PART II. DIRECTIONS

Answer each question.

8. "Cathy is as cute as a kitten" is an example of what two types of figurative language?  
A. \_\_\_\_\_  
B. \_\_\_\_\_
9. 'Ribbit!' the frog said to the snake. 'You must let me pass!'" is an example of what two types of figurative language?  
A. \_\_\_\_\_  
B. \_\_\_\_\_



# LESSON 8

## Reasoning through Language Arts



### ASSIGNMENT 8

#### Vocabulary to Know

**Theme**—The subject of a talk, a piece of writing, a person's thoughts

**Literary text**—Pertaining to or of the nature of books and writings, especially those classed as literature

**Context**—the circumstances that form the setting for an event, statement, or idea, and in terms of which it can be fully understood and assessed

**Connotative**—When you look up a word in the dictionary, you will find its *literal* (*denotative*) meaning. However, the emotions and associations connected to a word is known as its connotative meaning. Depending on our experiences, certain words have a positive, negative, or neutral connotation.

**Literal**—The exact or primary meaning of a word or words. Word for word; verbatim: a literal translation.

#### In the following passage:

- You will analyze a **theme** in a **literary text**, as well as identifying specific details supporting the development of the theme. In order to determine the theme, consider the ways that the author illustrates the separation between expectations and reality. How this is made apparent in the thoughts and actions of the main character in the story?
- The responses to this passage will also require you to analyze how an author introduces and develops characters in a story. You will need to look at word choices and identify what an author is trying to evoke through description of a character's thoughts and actions.
- You will use **context** as a clue to determine the **connotative** meaning of a word or phrase. You will need to think about the overall meaning of a sentence, or a paragraph; how is a word being used. Consider how strict **literal** interpretation of words lead to misinterpretation.

### DIRECTIONS

Read the following passage and choose the correct answer by circling the letter.

#### Excerpt from *Main Street* by Sinclair Lewis

Main Street is a novel about a girl who grew up in the big city. She has married a physician who moves them to the small town in the Midwest in which he grew up. She is reluctant to move from the city she knows, but goes along with her husband thinking that perhaps she can bring big-city life to the small town

That one word—home—it terrified her. Had she really bound herself to live, inescapably, in this town called Gopher Prairie? And this thick man beside her, who dared to define her future, he was a stranger! She turned in her seat, stared at him. Who was he? Why was he sitting with her? He wasn't of her kind! His neck was heavy; his speech was heavy; he was twelve or thirteen years older than she; and about him was none of the magic of shared adventures and eagerness. She could not believe that she had ever slept in his arms. That was one of the dreams which you had but did not officially admit.

She told herself how good he was, how dependable and understanding. She touched his ear, smoothed the plane of his solid jaw, and, turning away again, concentrated upon liking his town. It wouldn't be like these barren settlements. It couldn't be! Why, it had three thousand population. That was a great many people. There would be six hundred houses or more. And—The lakes near it would be so lovely. She'd seen them in the photographs. They had looked charming... hadn't they?

A mile from Gopher Prairie the track mounts a curving low ridge, and she could see the town as a whole. With a passionate jerk she pushed



# LESSON 8

## Reasoning through Language Arts



up the window, looked out, the arched fingers of her left hand trembling on the sill, her right hand at her breast.

And she saw that Gopher Prairie was merely an enlargement of all the hamlets which they had been passing. Only to the eyes of a Kennicott was it exceptional. The huddled low wooden houses broke the plains scarcely more than would a hazel thicket. The fields swept up to it, past it. It was unprotected and unprotecting; there was no dignity in it nor any hope of greatness. Only the tall red grain-elevator and a few tinny church-steeple rose from the mass. It was a frontier camp. It was not a place to live in, not possibly, not conceivably.

The people—they'd be as drab as their houses, as flat as their fields. She couldn't stay here. She would have to wrench loose from this man, and flee.

She peeped at him. She was at once helpless before his mature fixity, and touched by his excitement as he sent his magazine skittering along the aisle, stooped for their bags, came up with flushed face, and gloated, "Here we are!"

She smiled loyally, and looked away. The train was entering town. The houses on the outskirts were dusky old red mansions with wooden frills, or gaunt frame shelters like grocery boxes, or new bungalows with concrete foundations imitating stone.

Now the train was passing the elevator, the grim storage-tanks for oil, a creamery, a lumber-yard, a stockyard muddy and trampled and stinking. Now they were stopping at a squat red frame

station, the platform crowded with unshaven farmers and with loafers—unadventurous people with dead eyes. She was here. She could not go on. It was the end—the end of the world. She sat with closed eyes, longing to push past Kennicott, hide somewhere in the train, flee on toward the Pacific.

Something large arose in her soul and commanded, "Stop it! Stop being a whining baby!" She stood up quickly; she said, "Isn't it wonderful to be here at last!"

He trusted her so. She would make herself like the place. And she was going to do tremendous things—

**1. Which sentence from the text best emphasizes the difference between the character's expectations of Gopher Prairie and reality?**

- A. It was unprotected and unprotecting; there was no dignity in it nor any hope of greatness.
- B. She smiled loyally, and looked away.
- C. "Stop it! Stop being a whining baby!"
- D. She stood up quickly; she said, "Isn't it wonderful to be here at last!"

### DIRECTIONS

**Read the excerpt from the text.**

*Had she really bound herself to live, inescapably, in this town called Gopher Prairie?*

**2. Which feeling of the character in the text does the phrase "bound herself" best capture in the question she asks herself?**

- A. that she already feels tied to this town
- B. that she recognizes the mistake she has made
- C. that she feels destined to live in this small town
- D. that she acknowledges that she decides her own fate

# LESSON 8

## Reasoning through Language Arts



### DIRECTIONS

Read the excerpt from the text.

*What do the character's thoughts as she nears Gopher Prairie indicate about how she is feeling?*

3. It wouldn't be like these barren settlements. It couldn't be! Why, it had three thousand populations. That was a great many people. There would be six hundred houses or more. And—The lakes near it would be so lovely. She'd seen them in the photographs. They had looked charming... hadn't they?

- A. that she is eager but doubtful
- B. that she is reluctant and angry
- C. that she is excited and optimistic
- D. that she is calm but unhappy

### ASSIGNMENT 9

#### Vocabulary to Know

**Incumbent**—the holder of an office

**Domestic**—concerning one's own country

**Debate**—a discussion involving opposing points: an argument

**Fathomed**—understood; comprehended

**Augured**—predicted

**Preeminent**—superior

**Fledgling**—young, new, inexperienced

**Medium**—the way or means of communication

**Grueling**—exhausting

**Burnish**—to make smooth and bright

**Agendas**—plan

**Unequivocally**—in a way that is clear

### DIRECTIONS

Read the following passage and choose the correct answer by circling the letter.

#### The Great Debate

The first of the Great Debates, between Senator John F. Kennedy of Massachusetts and the **incumbent** Vice President Richard Nixon on September 26, 1960, centered around **domestic** issues. The topic of the next debate, on October 7, was a clash over U.S. policy regarding two small islands off the Chinese coast, and on October 13, this controversy continued. On October 21, the final **debate**, the candidates focused on American/Cuban relations.

Few of the 70 million viewers could have **fathomed** what this first-ever televised presidential debate **augured**, not only for this specific series of debates, but more importantly for the **preeminent** role the **fledgling medium** would play in the future of the political arena.

A **pallid** Nixon arrived at the Chicago CBS studios after a **grueling** day of campaigning. The previous August a knee infection had sidelined him. He was still twenty pounds underweight, and he perspired profusely in an ill-fitting shirt. Moreover, he declined makeup to **burnish** his hospital pallor. The freshly-painted studio backdrop had dried to an ashen hue that obscured his matching suit.

The Democratic contender by contrast exuded a robust glow after a month of campaigning in California. He had spent his day rehearsing potential questions and relaxing. An aide later admitted that he supplemented his natural glow with a smidge of makeup. He was fit, trim, and confident.

# LESSON 8

## Reasoning through Language Arts



Despite the remarkably similar **agendas** and arguments of the Republican and the Democrat, TV viewers **unequivocally** believed Kennedy to be the victor—whereas people who had followed the debates on the radio held the opposite opinion. The age of TV had arrived, and the subsequent party shuffle proved the undeniable potency of television.

### 1. The author is mainly concerned about

- A. the debating styles of John Kennedy and Richard Nixon during the 1960 Great Debates
- B. the domestic issues which affected the result of 1960 Great Debates
- C. the health of Richard Nixon at the time of the 1960 Great Debates
- D. the number of television viewers who tuned in to the 1960 Great Debates
- E. the effect of television on the results of the 1960 Great Debates

### 2. It can be inferred from the passage that

- A. Kennedy was a better debater than Nixon
- B. Nixon was the unequivocal winner of the 1960 debates
- C. The Democrat beat the Republican in the 1960 election
- D. Nixon was more prepared for the first debate than Kennedy
- E. Kennedy and Nixon disagreed strongly on issues on the home front.

### 3. According to the passage, which of the following was true of Richard Nixon?

- A. He had a five o'clock shadow during the first debate.
- B. He wore a brown suit during the first debate.
- C. He warned of the impending Cuban crisis.
- D. He limped onstage for the first debate.
- E. He lost his job after the election.

## ASSIGNMENT 10

### DIRECTIONS

Read the following passage. Answer the questions. Use complete sentences. Use a separate sheet of paper if necessary.

### JFK's Inaugural Speech

John F. Kennedy was inaugurated as President on January 21, 1961. At age 43, he was the youngest person to be elected President, and the first President to be born in the 20th century. Below is part of his inaugural speech.

We dare not forget today that we are the heirs of that first revolution. Let the word go forth from this time and place, to friend and foe alike, that the torch has been passed to a new generation of Americans, born in this century, tempered by war, disciplined by a hard and bitter peace, proud of our ancient heritage, and unwilling to witness or permit the slow undoing of those human rights to which this nation has always been committed, and to which we are committed today at home and around the world.

Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty.

This much we pledge—and more.

To those old allies whose cultural and spiritual origins we share, we pledge the loyalty of faithful friends. United there is little we cannot do in a host of cooperative ventures. Divided there is little we can do; for we dare not meet a powerful challenge at odds and split asunder.

To those new states whom we welcome to the ranks of the free, we pledge our word that one form of colonial control shall not have passed away merely to be replaced by a far more iron

# LESSON 8

## Reasoning through Language Arts



tyranny. We shall not always expect to find them supporting our view. But we shall always hope to find them strongly supporting their own freedom; and to remember that, in the past, those who foolishly sought power by riding the back of the tiger ended up inside.

1. **One of the most famous lines from the President's speech is: "the torch has been passed to a new generation of Americans..." Explain in your own words what he means. What is the torch? Why is does it apply to President Kennedy.**

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2. **President Kennedy reminds his audience that "those who foolishly sought power by riding the back of the tiger ended up inside." What does the tiger represent? How does it relate to supporting freedom?**

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# LESSON 8

## Social Studies, Writing



### ASSIGNMENT 1 1

#### DIRECTIONS

Read the following passage and complete the assignment that follows. Use a separate sheet of paper to write your summary.

#### Inaugural Address by John F. Kennedy, January 20, 1961

The text of this speech is in the public domain.

*This is part of the speech that John F. Kennedy gave when he became President of the United States.*

In your hands, my fellow citizens, more than in mine, will rest the final success or failure of our course. Since this country was founded, each generation of Americans has been summoned to give testimony to its national loyalty. The graves of young Americans who answered the call to service surround the globe.

Now the trumpet summons us again—not as a call to bear arms, though arms we need; not as a call to battle, though embattled we are—but a call to bear the burden of a long twilight struggle, year in and year out, “rejoicing in hope, patient in tribulation”—a struggle against the common enemies of man: tyranny, poverty, disease, and war itself.

Can we forge against these enemies a grand and global alliance, North and South, East and West, that can assure a more fruitful life for all mankind? Will you join in that historic effort?

In the long history of the world, only a few generations have been granted the role of defending freedom in its hour of maximum danger. I do not shank from this responsibility—I welcome it. I do not believe that any of us would exchange places with any other people or any other generation. The energy, the faith, the devotion which we

bring to this endeavor will light our country and all who serve it—and the glow from that fire can truly light the world.

And so, my fellow Americans: ask not what your country can do for you—ask what you can do for your country.

My fellow citizens of the world: ask not what America will do for you, but what together we can do for the freedom of man.

Finally, whether you are citizens of America or citizens of the world, ask of us the same high standards of strength and sacrifice which we ask of you. With a good conscience our only sure reward, with history the final judge of our deeds, let us go forth to lead the land we love, asking His blessing and His help, but knowing that here on earth God’s work must truly be our own.

#### DIRECTIONS

#### EXPLAIN WHAT YOU LEARNED.

Use a separate sheet of paper to write the summary.

1. Underline the most important information in each paragraph.
2. Write a short summary that tells what the passage explains. Include only the most important information. *Remember a summary is a brief account of the main points of something.*

#### A. Start your summary this way:

The main idea of the passage is \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- #### B. Then finish the summary:
- Using your own words, include the information that helps explain the main idea. Think about answering the questions who, what, when, why, where, and how.



# LESSON 8

## Social Studies



### ASSIGNMENT 12

#### Economics—What is it?

##### Key Words

**Capitalism**—an economic system based on private ownership of property

**Commodities**—goods and services for which ownership can be traded or exchanged

**Market economy**—a system of free enterprise where buyers and sellers, not the government, determine prices and output

**Socialism**—an economic system that is based on government control of the market

**Economics**—the science that deals with the production, distribution, and consumption of goods and services, or human welfare.

An economy is the organized way in which a society produces, distributes, and consumes goods and services. In other words, the economy is the way people make things, ship them, sell them, and use them. Economics is the study of how these systems work.

Economists study the history of economics as well as the economies of today. Knowing how economics formed and changed over time helps them better predict the effects of current events.

Today, there are three main types of economic systems: capitalism, socialism, and mixed. **Capitalist**, or market, economies are based on private ownership and market competition.

**Socialism** is based on government control of the market. The government controls production, distribution and profit. The goal of socialism is to ensure that all members of society benefit from economic activity, not just those who compete the most successfully.

**Mixed economies** combine capitalism and socialism. Certain industries, like transportation or mining, may be controlled by the government. Other industries may be allowed to operate in a market economy.

No country's economy is purely of one type. The United States is capitalist, but many controls have been placed on the market. Sweden is a mixed economy. Once there were many socialist economies, such as those of the former Soviet Union and of China. Now most of the socialist economies have been changed to market or mixed economies.

### DIRECTIONS

Write “true” if the statement is true, or “false” if the statement is false.

1. \_\_\_\_\_ Under capitalism, labor is controlled by the government.
2. \_\_\_\_\_ The U.S. economy will probably not change much but will remain a pure capitalist economy.
3. \_\_\_\_\_ If the US economy changed, it would probably lead to changes in the political system as well.
4. \_\_\_\_\_ A socialist economy gives private business owners an unfair advantage
5. \_\_\_\_\_ In a market economy, workers can take a job with a new company whenever they think they will be better off.

# LESSON 8

## Social Studies



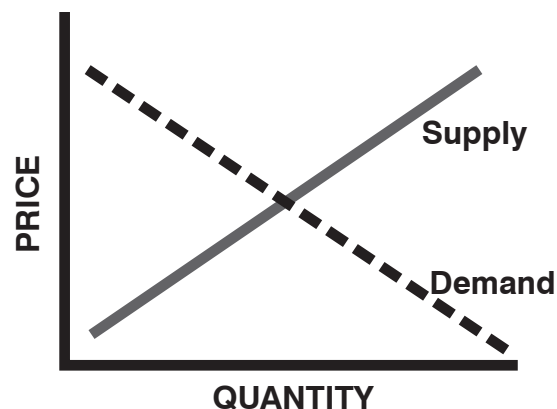
### Supply and Demand

#### Key Words

**Demand**—the desire and ability of consumers to buy a product or service

**Equilibrium**—the price at which supply equals demand

**Supply**—the quantity of goods and services available for sale at all possible prices



**Supply and Demand** is the basis for the U.S. economy. Businesses must know that there is a demand for the goods or services they want to provide. At the same time, consumers must not only want something, they must also be able to purchase it. Price is what makes this system work.

You see supply and demand working every day. If the price for a certain item goes up, demand usually goes down. If the prices go down, demand usually goes up. For example, when airline tickets are too expensive, fewer people travel, and the demand goes down. When airline ticket prices are reduced, more people travel, and the demand goes up. If airline ticket prices are reduced for too long a period, however, the supply becomes greater than the demand, and some flights have empty seats.

Producers try to control price: they also try to control supply. Producers, however, have only limited control of either price or supply. Prices are mainly controlled by the market place. Each company tries to sell its products at a lower price than its competitors so that consumers will buy from it. At the same time, the company must keep the price high enough so that it can earn a profit. This balance of demand and supply is called the **equilibrium**.

Notice on this chart that demand is higher than supply. As the supply increases the demand decreases. The point where the two lines meet is the equilibrium.

#### DIRECTIONS

Read the scenario and then write “true” if the following statements are true, or “false” if the statements are false.

Every holiday season, some toy almost always becomes especially popular. As quickly as a shipment arrives in the store, it’s sold out. Many customers are willing to pay much more than the regular price in order to get one.

1. \_\_\_\_\_ A surplus of toys caused prices to increase.
2. \_\_\_\_\_ A shortage of toys caused prices to decline.
3. \_\_\_\_\_ A shortage of toys caused prices to increase



# LESSON 8

## Social Studies



### Value and Spending

#### Key Words

**Capital goods**—goods and services companies buy to use in producing other goods or services.

**Consumer goods**—goods and services that people buy for their own use

**Gross Domestic Product (GDP)**—the amount of all goods and services produced within a country in one year

**Gross National Product (GNP)**—the amount of all goods and services produced by a country in one year

**Macroeconomics**—the part of economics that deals with national income, total employment, and total consumption

The total value of all goods and services produced by a country in one year is called its GNP. This figure includes products produced by companies with headquarters in that country that are actually made in other countries. For example, Ford Motor Company produces cars in Canada and Mexico as well as in the United States. Because it is an American company, the United States counts Ford's production in Canada and Mexico as part of the US GNP. Gross domestic product (GDP) is the total of all products and services actually produced within a country.

When the economy is struggling with a recession or depression, it's the result of slow spending on capital goods. Reduced production results in unemployment, which means fewer people have money to spend. Because fewer consumer goods are bought, fewer goods need to be produced and more people are laid off. A cycle of economic decline results.

### DIRECTIONS

Read the article and then answer the questions by writing "true" if the statement is true, or "false" if the statement is false.

### Recession

**Recession** is a period of reduced economic activity. It is a business cycle contraction typically characterized by a decline in GDP (Gross Domestic Product). Recession is generally accompanied by a drop in the stock market, an increase in unemployment, and a decline in the housing market.

By contrast, **depression** is a sustained, long-term downturn in economic activity in one or more economies. A depression is a more severe downturn than a recession, which is seen by some economists as part of the modern business cycle. The latter refers to fluctuations that occur around a long-term growth trend, and typically involve shifts over time between periods of relatively rapid economic growth (an expansion or boom), and periods of relative stagnation or decline (a contraction or recession)

During recessions, many **macroeconomic** indicators vary in a similar way. Production, as measured by gross domestic product, employment, investment spending, capacity utilization, household incomes, business profits, and inflation all fall, while bankruptcies and the unemployment rate rise.

Recessions generally occur when there is a widespread drop in spending, often following an adverse supply shock or the bursting of an economic bubble (also called speculative bubble). Governments usually respond to recessions by adopting expansionary macroeconomic policies, such as increasing money supply, increasing government spending and decreasing taxation.

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1. \_\_\_\_\_ An increase in unemployment is a characteristic of recession.
2. \_\_\_\_\_ Depression and recession are different.
3. \_\_\_\_\_ Business cycle refers to periods of economic growth
4. \_\_\_\_\_ Increasing taxes is one measure that government adopt in periods of recession

### Scarcity and Choice

#### Key Words

**Scarcity**—the shortage of goods

**Cottage industries**—people working at home to produce goods

**Factors of production**—the key resources used to produce goods and service.

**Industrial Revolution**—the period from the late 1700s through the early 1800s when technology for producing good grew rapidly, resulting in the establishment of factories

**Production Possibilities Curve**—a graph showing all possible combinations of the number of products a supplier might produce

**Opportunity Costs**—a benefit of profit that must be given up to achieve something else

Scarcity, which is a universal economic problem, requires individuals and societies to make choices about how to use their limited resources. People have unlimited wants or needs, but they have limited resources for satisfying those wants and needs. Scarcity has been a problem in every society, past and present.

People have tried to overcome scarcity by improving the ways goods and services are produced. For example, during the Industrial Revolution, manufacturing was changed from

small-scale cottage industries (people working at home to produce goods) to mass production in large factories. These factories also transformed how the factors of production were used. The factors of production are the key resources used to produce goods and services. The three main factors of production are natural resources (land), human resources (labor), and capital goods (capital)

FACTORS OF PRODUCTION	DEFINITION	EXAMPLES
Natural Resources (land)	Natural features of materials	Oceans, wild animals, forests, minerals
Human Resources (labor)	The time and effort of workers	Factory workers, doctors, teachers, farmers
Capital Goods (capital)	Items designed to produce other goods	Tractors, computers, office and factory buildings

However, changes that occurred during the **Industrial Revolution** did not mean workers and their families had easier lives. Large factories often became sweatshops. Laborers were forced to work long hours under unpleasant and dangerous conditions for little pay. Technology had made production more efficient and had increased output, but scarcity was not eliminated.

Scarcity forces us to make choices about how to use limited resources. When a business has a scarcity of one or more of the factors of production, the business may have difficulty producing its product.

People also face scarcity. You may want to see a new movie, shop for shoes, and go out to dinner. However, you have only enough money to do one of these things. Your scarce resource is money. You will not be able to do everything you would like to do: you'll have to make a choice.

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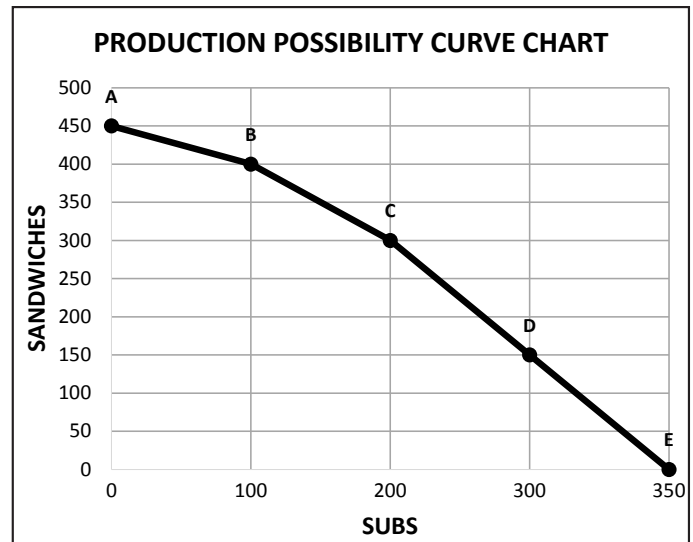
### DIRECTIONS

Use the Production Possibilities Table and Production Possibility Curve Chart to answer these questions.

Sam can produce subs or sandwiches in his deli. With his current resources, his daily production of subs and sandwiches is shown in the table.

**PRODUCTION POSSIBILITIES (DAILY)**

Product	Points				
	A	B	C	D	E
Sandwiches	450	400	300	150	0
Subs	0	100	200	300	350



### DIRECTIONS

Choose the one best answer to each question.

1. How many sandwiches could Sam produce if all his resources are used to make sandwiches? \_\_\_\_\_
2. At point D, how many sandwiches could Sam's Deli produce? How many subs?  
\_\_\_\_\_
3. What is the opportunity cost at point B, stated in terms of sandwiches?  
\_\_\_\_\_
4. What is the opportunity cost at point C, stated in terms of subs? \_\_\_\_\_

5. Why does the economic problem of scarcity exist?
  - A. The Industrial Revolution created sweat-shop working conditions
  - B. Societies have created different types of economic systems.
  - C. Businesses, consumers, and governments face opportunity costs.
  - D. People have limited resources but unlimited wants and needs.
6. What does a production possibilities curve demonstrate?
  - A. Consumers must make choices between competing goods.
  - B. When suppliers produce more of one item, they must determine how much of each item to produce.
  - C. Governments do not face opportunity cost because tax dollars are used to supply needed services.
  - D. Scarcity applies to modern economies but did not apply to ancient economies.

### References

Contemporary's Pre-GED  
[www.readworks.org](http://www.readworks.org)



