

## AP Microeconomics

This is an introductory course into microeconomics. It is an eighteen week, 84 class day course. We will be looking at the smaller picture and focusing more on basic theories of supply and demand and how individual businesses decide how much of something to produce and how much to charge for it.

## Texts

I have decided to use the textbook Principles of Economics, 4<sup>th</sup> Edition by Gregory Mankiw. I was introduced to this text by Dennis L. Placone who taught a 2005 summer AP class at the University of South Dakota. He also used Advanced Placement Edition by John S. Morton and Rae Jean B. Goodman. I had used many of these student activities in my regular Economics class over the last 14 years.

## Course Planner

### Unit One

**CR1, CR5**

Students will understand

- Economics is about the allocation of scarce resources
- Individuals face trade-offs
- Opportunity cost
- Marginal decision making
- Effect of Incentives
- Trade is good for everyone
- Markets are a good way to allocate resources
- Models and assumptions that shed light on the Economic World
- Circular flow and production possibilities models
- Positive vs. Normative statements
- Economists disagree
- Absolute vs. Comparative advantages

## Unit Two

**CR1, CR2, CR6**

Students will understand

- Competitive markets
- Demand in a competitive market
- Supply in a competitive market
- Equilibrium Price and Quantity
- Prices allocate scarce resources
- Elasticity of Demand
- Elasticity of Supply
- Price Floors and Ceilings
- Effects of Tax on Price and Quantity
- Burden of Tax

## Unit Three

**CR1, CR2, CR6**

Students will understand

- Willingness to pay
- Consumer Surplus
- Producer Surplus
- Effect of taxes on Consumer and Producer Surplus
- Deadweight loss
- Tax Revenue
- International Trade, winners vs. losers
- Export or Import?
- Tariffs and import quotas

## Unit Four

**CR1, CR4**

Students will understand

- Externalities
- Solutions to externalities
- Government Policies
- Public Goods and Common Resources
- Private markets failure to provide Public Goods
- How the U.S. Government raises and spends money
- The efficiency costs of taxes
- Equity in a tax system
- Efficiency vs. Equity in a tax system
- Tax incidence

## Unit Five

**CR1, CR2, CR5, CR6**

Students will understand

- Cost of Production for firms
- The link between a firm's production and its total costs
- Average Total Cost
- Marginal Cost
- Graphs of ATC and MC
- Short Run vs. Long Run costs
- Characteristics of competitive market
- How much to produce in a competitive market
- Shut down vs. Exit in a market
- Short-run and Long-run supply curves
- Monopolies, why exist
- Determining quantity in a monopoly
- Monopoly decisions and their effects on economic well-being
- Public policies on monopolies
- Monopoly and price discrimination
- Prisoner's Dilemma and Oligopolies
- Antitrust laws foster competition
- Differentiated products and their competition
- The comparison between monopolistic competition and perfect competition
- Effects of advertising and brand names

## Unit 6

**CR1, CR3, CR6**

Students will understand

- Labor demand of competitive, profit-maximizing firms
- Household decisions that lie behind labor supply
- Equilibrium wages equal marginal product of labor
- How land and capital are compensated
- Change in supply of one factor alters the earnings of all the factors
- Wages compensate for differences in job characteristics
- The human-capital and signaling theories of education
- Why wages rise above the level of supply and demand
- Economic inequality in our society
- Problems of measuring economic inequality
- Redistribution of income
- Policies to help in the escape of poverty

## Unit 7

**CR1, CR6**

Students will understand

- Budget constraints represents choices of consumers
- Indifference curves and consumer preferences
- Optimal choices by consumers
- Consumers responding to income changes and change in price
- Problems caused by asymmetric information
- Market solutions to asymmetric information
- Democratic voting may not represent the preferences of society
- People do not always behave as rational maximizers

## Student Evaluation

**Unit Tests** – Students take six unit tests, units two and three are combined. All unit tests include multiple choice questions, short and long free response questions. Each test is worth 100 points.

**Advanced Placement Economics Activities** – Students are given approximately 30 activities from the student activities book. Each activity is worth 5 points.

**Quizzes** – Students will be given approximately one quiz per chapter. Many of the quizzes may be taken on line after the chapter is completed and done on their own time. Each quiz is worth 10 points.

**Problems and Applications** – Students will receive assigned problems out of the text. Many are done in groups, with only a few assigned individually. Sixteen assignments, 10 points per assignment.

## Grading

600 pts.	Unit Tests
150 pts.	AP Economics Activities
220 pts.	Quizzes
<u>160 pts.</u>	Problems and Applications
1130 total points	

## Teacher Resources

Mankiw, N.Gregory, *Principles of Economics*, 4<sup>th</sup> Edition: Thomson South-Western, 2007

### Accompaniments:

- Instuctor's Manual
- Premium Power Point
- Premium Power Point Lecture Notes
- Test Bank
- On-Line Quizzes

Morton, John S., Goodman, Rae Jean B. *Advanced Placement Economics*. 3<sup>rd</sup> Edition. New York: National Council on Economics Education, 2003.

## Course Calendar

# January

1	2	3	4	5
8	9	10	11	12
15	<p>16 Welcome Syllabus, Text Background Info in Economics, Why AP? <b>Read Chapter 1</b></p>	<p>17 Power Point 1-24 Ch1</p> <p><b>Problems and Applications 3,6,7,12</b></p>	<p>18 Power Point 25-36 Ch1 <b>Do you think like an Economist? A-1</b> The Economic Way of Thinking <b>Read Chapter 2</b></p>	<p>19 Power Point 1-31 Ch2</p> <p><b>Scarcity, Opportunity Cost and Production Possibilities Curves A-2</b></p>
<p>22 <b>Circular Flow of Resources, Goods, Services, and Money Payments. A-5</b>  <b>Read Chapter 3</b></p>	<p>23 <b>The Circular Flow of resources, Goods, Services and Money Payments A-5</b>  Power Point 1-24 Chapter 3</p>	<p>24 Finish PP Chapter 3</p> <p><b>Opportunity Cost and Comparative Advantage A-6</b></p>	<p>25 Group Work</p> <p>Problems and Applications Text, 1,2,4,and 7</p>	<p>26 Sample Multiple Choice Questions <b>Advanced Placement Economics</b></p>
<p>29 Sample Short and Long Response Questions <b>Advanced Placement Economics</b></p>	<p>30 <b>Test Unit One</b>  <b>Read Chapter 4</b></p>	<p>31 Power Point Ch 4 1-20</p> <p><b>Demand Curves, Movements Along Demand Curves and Shifts A-9</b> Omit Part C, Ch.7</p>		<p><b>Assignments in Bold</b></p>

# February

<p>5 <b>How Markets Allocate Resources A-16</b> In Class Assignment</p> <p><b>Read Chapter 5</b></p>	<p>6 Ranking Elasticities Activity 5-2 Power Point 1-52 Ch 5</p> <p><b>The Determinants of Elasticity of Demand A-18, A-20</b></p>	<p>7 Lecture Ceilings vs. Floors</p> <p><b>Read Chapter 6</b></p>	<p>1 Power Point 21-36 Ch 4</p> <p><b>Supply Curves, Movements Along Supply Curves and Shifts A-12</b> Omit Part C, Ch.7</p> <p>8 Group Problems and Applications Chapter 6</p> <p><b>Problems and Applications Chapter 6</b></p>	<p>2 <b>Reasons for Changes in Demand and Supply A-10,11</b> (Use as Quiz) Power Point 37-61 Ch 4 <b>Equilibrium Price and Quantity A-14</b></p> <p>9 In Class Answer to Problems and Applications</p> <p><b>Read Chapter 7</b></p> <p>16 No School</p> <p><b>Students given Sample MC Questions U 2</b></p>
<p>12 Power Point 19-48 Ch 6</p> <p><b>Group Problems and Applications Chapter 7</b></p> <p>19 No School</p> <p><b>Students given Sample Long and Short Response Questions U-2</b></p> <p>26 Go Over Sample Questions</p>	<p>13 Activity 7-1 Time Machine</p> <p>Power Point 1-18 Ch 7</p> <p><b>A-10 Part C</b></p> <p>20 Group Answers Chapter 7</p> <p><b>Read Chapter 8</b></p> <p>27 Unit Two and Three Test</p> <p><b>Read Chapter 10</b></p>	<p>14 Power Point 19-48 Ch 7</p> <p><b>A-11 Part C</b></p> <p>21 Power Point 1-33 Chapter 8</p> <p><b>Individual Problems and Applications Chapter 8</b></p> <p>28 Activity 10-2 Power Point Chapter 10 1-18</p> <p><b>Externalities A-54</b></p>	<p>15 <b>Group Problems and Applications Chapter 7</b></p> <p>22 Power Point 1-19 Chapter 9</p> <p><b>Group Problems and Applications Chapter 9</b></p>	<p>23 Group Answers</p> <p><b>Sample Tests</b></p> <p><b>Assignments in Bold</b></p>

March

			1 Power Point Chapter 10 19-44 <b>The Coase Theorem A-55</b>	2 <b>Group Problems and Applications Chapter 10</b>
5 Answers Chapter 10 Problems and Applications  <b>Read Chapter 11</b>	6 Activity 11-1 Music and Candy Power Point Chapter 11 1-23 <b>Public Choice Econ A-58</b>	7 Group Answers—Each Group given Mystery, answer question.	8 <b>Individual Problems and Applications Chapter 11 1,4,5,7,9, and 11.</b>	9 Answers to Chapter 11  <b>Read Chapter 12</b>
12 Activity 12-1 Alphabet Soup Power Point Chapter 12 1-21 <b>Who Pays A-60</b>	13 Power Point Chapter 12 22-39 Activity 12-2 A Flat Tax	14 <b>Test Unit 4</b>  <b>Read Chapter 13</b>	15 Introduction to Market Structure, Lecture  <b>A-24</b>	16 Power Point Chapter 13 1-16  <b>A-25 Part A, P and A Chapter 13 1,2,4.</b>
19 Power Point Chapter 13 17-48  <b>A-25 Part B Read Chapter 14</b>	20 <b>Quiz Chapter 13 A-26 and P and A Questions 7 and 9 chapter 13.</b>	21 Power Point Chapter 14 1-18  <b>A-27 Parts A,B,C</b>	22 Power Point Chapter 14 19-34  <b>A-27 Part D, P and A Chapter 14 1,3,5,10,11</b>	23 NO SCHOOL
26 <b>Classroom A-29, 30 , 31 Group Work.</b>  <b>Read Chapter 15</b>	27 Pre Quiz Students answer questions on slide #2  Power Point Chapter 15 1-15	28 Power Point Chapter 15 16-23  <b>A-33,34</b>	29 Power Point Chapter 15 24-31  <b>Group Problems and Applications 1-14</b>	30 Group Demonstrating answers to P and A.  <b>A-36 Read Chapter 16</b>

# April

<p>2 Quiz Perfect Competition and Monopoly A-39 Power Point Chapter 16 1-17</p> <p>9 <b>NO SCHOOL</b></p> <p>16  Sample Short Free- Response Questions in Groups</p>	<p>3 Prisoner's Dilemma Power Point Chapter 16 18-28</p> <p><b>A-41</b></p> <p>10 Group Explanation of answers.</p> <p><b>Read Chapter 17</b></p> <p>17  Sample Long Free- Response Questions in Groups</p>	<p>4 Power Point Chapter 16 29-38</p> <p><b>P and A Chapter 16 All</b></p> <p>11 Power Point Chapter 17 1-11 Brand Names Activity <b>A-40</b></p> <p>18 <b>Test Unit 5</b></p> <p><b>Read Chapter 18</b></p>	<p>5 <b>NO SCHOOL</b></p> <p>12 Power Point Chapter 17 12-24</p> <p><b>P and A Chapter 17 All</b></p> <p>19 Power Point Chapter 18 1-17</p> <p><b>Quick Quiz 401 A-45</b></p>	<p>6 <b>NO SCHOOL</b></p> <p>13  Sample Questions Unit 3 from AP Economics</p> <p>20 Power Point Chapter 18 18-37</p> <p><b>P and A Chapter 18 All in Groups A-47</b></p>
<p>23 Groups Answer P and A</p> <p><b>Read Chapter 19</b></p>	<p>24 Power Point Chapter 19 1-21</p> <p><b>P and A Chapter 19 1-5 Individually Turn In</b></p>	<p>25 Power Point Chapter 19 22-33</p> <p><b>P and A Chapter 19 6-10 Individually Turn In A-51</b></p>	<p>26 Answers to P and A Questions Chapter 19</p> <p><b>Take Home Quiz Chapters 18-19</b></p>	<p>27 Compare Quiz Answers in Groups</p> <p><b>Read Chapter 20</b></p>
<p>30 Power Point Chapter 20 1-10</p> <p><b>What does Poverty Mean In Brookings SD?</b></p>				<p><b>Assignments in Bold</b></p>

# May

	1 Read answers to yesterdays question. Power Point Chapter 20 11-26 <b>P and A Chapter 20 1-11</b>	2 Answers to P and A Chapter 20  <b>Take Home Test Chapters 18-20</b>	3 Unit 6 Test Economics of Labor Markets	4 Power Point Chapter 21 1-11  <b>Quick Quiz 457</b>
7 Power Point Chapter 21 12-18  <b>Quick Quiz 462</b>	8 Power Point Chapter 21 19-44  <b>Read Chapter 22</b>	9 Power Point Chapter 22 1-28	10 Power Point Chapter 22 29-38	11 Test Unit 7  <b>MC AP Tests</b>
14 Answers to MC AP Tests  <b>Short Response Questions</b>  21	15 Answers to Short Response Questions  <b>Long Response Questions</b>  22	16 Answers to Long Response Questions  <b>Review</b>  23	17 <b>AP EXAM</b>  24	18    25
28	29	30	31	<b>Assignments in Bold</b>