

2017-2018 Course Syllabus
Advanced Placement
MACROECONOMICS
Mrs. Adkins room 1100
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Course Description |

AP Macroeconomics is a one-semester, college-level course. The purpose of this course is to give students a thorough understanding of the principles of economics that apply to an economic system as a whole. Such a course places particular emphasis on the study of national income and price-level determination, and also develops students' familiarity with economic performance measures, the financial sector, stabilization policies, economic growth, and international economics. The course prepares students to take the Advanced Placement Macroeconomics examination in May 2018.

Throughout the course students will demonstrate application of economic principles and theories to analyze international, national, and local trends and events. In the process, students will have frequent opportunities to generate solutions to real and hypothetical economic problems as well as use graphical analysis to illustrate the logic of their conclusions.

AP Macroeconomics Examination Date | Wednesday, May 16, 2018 at 12 PM

Class Text |

Anderson, D. and Ray, M. (2015). Krugman's Economics for AP. New York: Worth.

Supplemental Materials |

Anderson, D. (2016). Economics by example. New York: Worth.

McConnell, C. R., & Bruce, S. L. (2002). Economics: Principles, problems, and policies (15th ed.) New York: McGraw-Hill Irwin.

Lopus, J. S. and Willis, A. M. (2003). Economics in action: 14 Greatest hits for teaching high school economics. New York: National Council on Economic Education.

Lopus, J. S., Morton, J. S., Reinke, R., Schug, M. C., and Wentworth, D. (2006). Capstone: Exemplary lessons for high school economics. New York: National Council on Economic Education.

Morton, J.S. & Goodman, R. J. B. (2003). Advanced placement economics macroeconomics student activities (3rd ed.) New York: National Council on Economic Education.

Selected Readings: The Washington Post, The New York Times, The Wall Street Journal, The Economist.

Grading |

Your marking period grade will be based on tests, quizzes, in-class assessments, and homework/out-of-class assessments.

- ✓ Tests (60% of grade): There will be a summative assessment for each chapter and/or unit of study in this course. Each test will include multiple choice questions, free response questions, and graphing activities, as applicable. While tests are not cumulative, they may incorporate prior knowledge.
- ✓ Quizzes (20% of grade): This includes vocabulary quizzes, chapter quizzes, and quick checks for understanding.

- ✓ In-class assessments/Homework (20% of grade): This includes coursework assigned individually and in cooperative groups during class time and at home. Total possible points and scoring rubrics are provided with each assessment, as applicable.

Course Objectives |

At the end of this course, students will be able to:

- Construct, interpret, label, and analyze graphs, charts, and data to describe and explain economic concepts including but not limited to: production possibility curves; supply and demand graphs; circular flow model; business cycle; aggregate supply and aggregate demand graphs; and the Phillips curve.
- Distinguish between opportunity cost, scarcity, and tradeoffs.
- Use a production possibility curve to demonstrate opportunity cost and growth.
- Contrast comparative advantage and absolute advantage.
- Differentiate between movement along a demand (supply) curve, and shifting demand (supply) curves.
- Determine effects on price and quantity when equilibrium changes.
- Describe the macroeconomic performance of the United States and other countries through an analysis of key economic indicators including GDP, inflation, unemployment, and other indicators.
- Determine equilibrium using an AD/AS graph and show the effects on price level and real GDP when equilibrium changes in both the long run and the short run.
- Explain how an increase in autonomous spending has a multiplied effect on aggregate demand (and GDP).
- Evaluate how the position of the aggregate supply curve can be shifted by changes in money wage rates, prices of other inputs, technology, quantities and qualities of labor and capital.
- Use AD/AS analysis to show the effect on price level and real GDP of changes in the government's fiscal policy.
- Explain how the Federal Reserve manages our modern system of fractional reserve banking.
- Examine the tools of monetary policy, and their impact on money supply and interest rates.
- Explain the relationship between government deficit spending and the crowding out of private investment. Assess how productivity can raise standard of living in the long run.
- Explain how exchange rates are determined, and their impact on a currency's appreciation or depreciation. Understand how international capital flows are linked to a country's interest rate.

Units of Study |

Unit	Overarching Topic	Content Outline	Readings / Activities
I	Basic Economic Concepts (8-12% of AP Exam)	<ol style="list-style-type: none"> 1) Scarcity, choice, and opportunity costs 2) Production possibility curve 3) Comparative advantage, absolute advantage, specialization and exchange 4) Demand, supply and market equilibrium Macroeconomic issues: business cycle, unemployment, inflation, growth 5) 	Modules 1-7 (Anderson), Selected current event readings as appropriate.
II	Measures of Economic Performance (12-16% of AP Exam)	<ol style="list-style-type: none"> 1) National Income Accounts <ol style="list-style-type: none"> a) Circular flow b) GDP and components of GDP c) Real versus nominal GDP 2) Inflation measurement and adjustment <ol style="list-style-type: none"> a) Price indices b) Nominal and real values 3) Unemployment <ol style="list-style-type: none"> c) Costs of inflation a) Definition and measurement b) Types of unemployment c) Natural rate of unemployment 	Modules 10-15 (Anderson), Selected current event readings as appropriate.

III	National Income and Price Determination (10-15 % of AP Exam)	1) Aggregate demand a) Determinants of aggregate demand b) Multiplier and crowding-out effects Aggregate 2) supply a) Short-run and long-run	Modules 16-21 (Anderson), Selected current event readings as appropriate.
		a) analyses b) Sticky versus flexible wages and prices c) Determinants of aggregate supply 3) Macroeconomic equilibrium a) Real output and price level b) Short and long run c) Actual versus fullemployment output d) Economic fluctuations	
IV	Financial Sector (15-20% of AP Exam)	1) Money, banking and financial markets a) Definition of financial assets: money, stocks, bonds b) Time value of money (present and future value) c) Measures of money supply d) Banks and creation of money e) Money demand f) Money market g) Loanable funds market 2) Central bank and control of money supply a) Tools of central bank policy b) Quantity theory of money c) Real versus nominal interest rates	Modules 22-27 (Anderson), Selected current event readings as appropriate.
V	Inflation, Unemployment, and Stabilization Policies (20-30% of AP Exam)	1) Fiscal and monetary policies a) Demand-side effects b) Supply-side effects c) Policy mix d) Government deficits and debt 2) Inflation and unemployment a) Types of inflation i) Demand-pull inflation ii) Cost-push inflation b) The Phillips curve: short run versus long run c) Role of Expectations	Modules 30-36 (Anderson), Selected current event readings as appropriate.
VI	Economic Growth and Productivity (5-10% of AP Exam)	1) Investment in human capital 2) Investment in physical capital 3) Research and development, and technological progress Growth policy 4)	Modules 37-40 (Anderson), Selected current event readings as appropriate.

<p>VII</p>	<p>Open Economy: International Trade and Finance (10-15% of AP Exam)</p>	<ol style="list-style-type: none"> 1) Balance of payment accounts <ol style="list-style-type: none"> a) Balance of trade b) Current account c) Capital account 2) Foreign exchange market <ol style="list-style-type: none"> a) Demand for and supply of foreign exchange b) Exchange rate determination c) Current appreciation and depreciation <p>Net exports and capital flows Links to financial and goods markets</p>	<p>Modules 41-45 (Anderson), Selected current event readings as appropriate.</p>
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