

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

AP Microeconomics 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 the functions of individual decision makers, both consumers and producers, within an economic system. It places primary emphasis on the nature and functions of product markets and includes the study of factor markets and of the role of government in promoting greater efficiency and equity in the economy. The course prepares students to take the Advanced Placement Microeconomics examination in May 2018.

Throughout the course students will demonstrate application of economic principles and theories to analyze economic decision making and its factors such as marginal analysis and opportunity costs. 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 Microeconomics Examination Date | Friday, May 18, 2017 at 8 AM

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#### 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 (15<sup>th</sup> 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 (3<sup>rd</sup> 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 models;
- 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.
- Explain the effect of price ceilings and price supports
- Interpret market conditions given data.
- Interpret and explain the effects of price ceilings and price supports.
- Explain ways in which societies determine allocation, efficiency, and equity.
- Construct and interpret marginal utility schedules and curves
- Explain the theory of marginal utility and its relationship to demand.
- Derive consumer demand schedules and curves, given necessary information about utility, prices, and income.
- Define, explain, calculate, and interpret the price elasticity of demand.
- Define, calculate, and interpret cross elasticities and income elasticities of demand.
- Calculate and explain the price elasticity of supply.
- Explain the burden of taxation given elasticity information.
- Draw and illustrate an elastic and an inelastic demand curve and consumer/producer tax burden given an elastic and inelastic demand curve.
- Given a change in supply, compare and contrast the effects of price and quantity changes with elastic and inelastic demand curves.
- Determine the profit maximization point of production for a firm or industry using the profit maximization rules.
- Determine, graph, illustrate and evaluate application of the law of diminishing marginal returns.
- Evaluate costs of production to determine those that are fixed and those that are variable.
- Calculate total cost, marginal cost, total revenue, and average fixed, variable and total costs of production and graph them.
- Analyze how firms behave in the short run and the long run and evaluate markets for productive and allocative efficiency.
- Evaluate and show graphically how production and pricing decisions are made for firms in each of these market structures.
- Apply the concepts of marginal cost and marginal revenue to determine maximization of profits to various market structures
- Construct graphs and differentiate between a competitive firm and a competitive industry.
- Construct graphs and correctly label a competitive firm that makes excessive profits, earns zero profits, and minimizes losses.
- Construct a sequence of graphs that shows a competitive firm making excessive profits (or minimizing its losses) with a return to long-run equilibrium.
- Construct and label a monopoly firm that makes excessive profits (and minimization of losses).
- Construct a graph to illustrate the effects in output, price, and profits if the demand increases (or decreases) in a monopolistic firm.
- Illustrate graphically the problems of monopoly inefficiency (allocative and technical).
- Construct and label a monopolistic competitive firm and illustrate long-run equilibrium.
- Explain the concept of derived demand.
- Calculate and explain the quantity of labor or a resource to be hired/bought by a firm.
- Construct a short-run demand schedule for a resource.
- Calculate and explain the relative amounts or proportions a producer should acquire of two or more resources.
- Explain the relationship between MP and the demand for an input.
- Explain and apply the concept of least-cost combination of inputs to novel data.
- Explain and apply the rule for finding least-cost combination.
- Explain how the marginal productivity theory of resource demand applies to wage rate determination.
- Explain how the wage rate is determined.
- Calculate and determine wage rates in a competitive labor market and in a monopolistic labor market.
- Explain the concept of bilateral monopoly.

- Explain the purpose of labor unions and their organization.
- Explain the effects of unions and specific union tactics on wages and employment in both competitive and monopolistic markets.
- Evaluate the efficiency of specific legislation aimed at increasing wage rates and employment.
- Distinguish between pure economic rent and quasi rent.
- Distinguish between nominal and real interest rate.
- Evaluate how income is divided among factors of production in an economy.
- Determine profit-maximizing, price-taking firms's strategies
- Predict how firms determine the quantity of resources to use and what determines resource supply in competitive markets and imperfectly competitive markets.
- Identify the sources of wage disparities and the role of discrimination.
- Identify potential areas of market failures (externalities and spillovers).
- Define and explain public and private goods.
- Identify economic functions of government in a market economy.
- Graphs and illustrate the effects of externalities and spillovers on a supply/demand graph.
- Illustrate the effects of a government regulation on producers and/or consumers.
- Identify the various tax strategies: progressive, flat, proportional regressive and discuss their benefits, detriments and applicability.

## Units of Study |

Unit	Overarching Topic	Content Outline	Readings / Activities
I	Basic Economic Concepts  (8-12% of AP Exam)	1) Scarcity, choice, and opportunity costs 2) Production possibility curve 3) Comparative advantage, absolute advantage, specialization and exchange 4) Property rights and the role of incentives 5) Marginal Analysis	Modules 1-4 (Anderson), Selected current event readings as appropriate.
II	The Nature and Function of Product Markets  (55-70% of AP Exam)	1) Supply and Demand <ol style="list-style-type: none"> <li>Market equilibrium</li> <li>Determinants of supply &amp; demand</li> <li>Price and quantity controls</li> <li>Elasticity</li> <li>Consumer and producer surplus</li> <li>Tax incidence and deadweight loss</li> </ol> Theory of consumer choice 2) Production and costs <ol style="list-style-type: none"> <li>production functions</li> <li>marginal product and diminishing returns</li> <li>short-run costs</li> <li>long-run costs</li> <li>productive efficiency</li> </ol> Firm behavior and market structure 4) <ol style="list-style-type: none"> <li>profit</li> <li>perfect competition</li> <li>monopoly</li> <li>oligopoly</li> <li>monopolistic competition</li> </ol>	Modules 5-9, 46-68, 72 (Anderson), Selected current event readings as appropriate.

III	Factor Markets  (10-18 % of AP Exam)	<ol style="list-style-type: none"> <li>1) Derived factor demand</li> <li>2) Marginal revenue product</li> <li>3) Hiring decisions in the markets for labor &amp; capital</li> <li>Market distribution of income</li> <li>4)</li> </ol>	Modules 69-71, 73 (Anderson), Selected current event readings as appropriate.
IV	Market Failure and the Role of Government  (12-18% of AP Exam)	<ol style="list-style-type: none"> <li>1) Externalities</li> <li>2) Public goods</li> <li>3) Public policy to promote competition</li> <li>4) Income distribution</li> </ol>	Modules 74-78 (Anderson), Selected current event readings as appropriate.