
PETERS TOWNSHIP HIGH SCHOOL

COURSE SYLLABUS: AP MICRO & MACRO ECONOMICS

Course Overview and Essential Skills

This course is an introduction to university level economics. The course introduces the two parts of the AP Economics curriculum; Microeconomics and Macroeconomics. Microeconomics introduces students to the cost-benefit analysis that is the economic way of thinking. This analysis is used to understand smaller segments of the economy-specifically, consumers and producers – as they interact in an output markets and resource markets, and to understand the government’s impact on these specific economic units. Macroeconomics emphasizes economic principles as applied to the economy as a whole. Topics discussed will reflect the material included in the booklet AP Economics Course Description from the College Board. Lessons include an analysis of national income and its components, economic indicators, inflation and unemployment, money and banking, stabilization policies, and the United States and world trade.

Students who successfully complete the course are encouraged to take the Advanced Placement Examination, (at their own expense), administered in May of each school year. Students who aspire to achieve the highest score on the AP exam are strongly encouraged to purchase their own copy an AP Review guide, and possible the Krugman text.

Course Textbook and Required Materials

- Title: Krugman’s Economics for AP by Ray & Anderson. ISBN: 1-4292-1827-4, 2011 Worth Publishing
- Online textbook, AC/DC Economics
- AP Economics Binder & Notebook, pencil.
- Capstone Lessons for AP Economics; National Council for Economics Education
- Morton, AP Economics Guide; National Council for Economics Education
- Film, Too Big To Fail.
- Film, Moneyball

Course Outline of Material Covered:

Unit or Topic	Concepts/Skills/Resources	Timeframe
Introduction to Basic Economics Concepts	Basic Economic Concepts requiring students to understand the existence of limited resources along with unlimited wants necessitates some form of allocation system. We introduce concepts of opportunity costs and trade-offs, specialization and exchange efficiencies, absolute and comparative advantage, fallacies such as <i>post hoc, ergo propter hoc</i> , the importance of property rights and the functioning of free markets, description of the business cycle. Students create cost/benefit comparisons, discuss the pros and cons of	4 Weeks

	different economics systems, modeling using PPF, trade and supply & demand.	
Measuring Economic Performance	<i>Provides the definitions and measuring rods that are used to judge an economy's performance including the measures of inflation unemployment and Gross Domestic Product both real and nominal. We study the circular flow model showing the interaction of the four sectors of the economy: households, business, government and international. We identify the Consumer Price Index and gross domestic product deflator. Students analyze and assess living standards using macro data, analyze differences in macro data, create business cycle models and calculate changes in inflation and unemployment.</i>	3 Weeks
Factor Markets	Students explore factor markets, the markets in which the factors of production such as labor, land and capital are traded. Students learn how resources are, in theory, allocated to their most efficient use. Students use theory to model labor, land and capital markets, analyze impacts of labor inefficiencies, and assess the impact of capital formation on growth.	3 Weeks
Market Failure	Students explore situations when competitive markets do not achieve efficient outcomes, and when and how government can remedy market failure. The existence of public goods is explored. Students identify failures in local markets and use models to explore price and quantity impacts. Students will create solutions to market failures and analyze which goods and services would not exist in a purely market-based economic system.	4 Weeks
Financial Sector	In this unit, students will explore the financial sector of a macroeconomy. Students study the concept of money, its role in an economy and the different institutions that play a role in our monetary system. Students will model interest rate formation in the short and long run, and discuss monetary neutrality.	4 Weeks
Inflation, Unemployment and Stabilization	In this unit, students explore the causes and consequences of inflation and unemployment, then look at strategies for managing the economy in the short and long-run. Students model the short-run tradeoff between inflation and unemployment, the causes of unemployment, the long run neutrality of money/inflation and analyze the 2007 – current macroeconomic policy.	5 Weeks
Economic Growth and Productivity	In this unit, students explore the sources of economic growth and factors that impact productivity. Various different economies will be compared to understand the stages of growth. Students will model human and capital investment impact on productivity, and will present local images representing infrastructure. Students will evaluate strengths and weaknesses of various economies.	4 Weeks

Nature and Function of Product Markets	This unit investigates foundational theories of supply and demand, consumer choice, production and costs, market structure and firm behavior. Students model supply and demand as well as ancillary costs curves that enable them to assess profitability and evaluate allocative and productive efficiency of different market types.	5 Weeks
International Economics	In this unit, students explore the global economy through examination of how money flows between economies, how currencies are valued as well as trade theory. Students will consider how currency fluctuations, money flows and trade impact the macroeconomy/real economy. Students will evaluate trade agreements winners and losers. Student model currency fluctuations, monetary fluctuations and comparative/absolute advantages.	4 Weeks

****Depending on the needs of the class or changes in the school year, the course outline is subject to change.***