

AP[®] Microeconomics Syllabus

AP[®] Microeconomics is relatively new at our school. The course is offered only in the odd years, alternating with AP[®] Macroeconomics which is offered in the even years. There is one section offered as elective credit. The enrollment ranges from 29-35 students. The class meets for 35 min. on Mondays, 105 minutes on Wednesdays, 50 minutes on Thursdays, and 40 minutes on Fridays. We follow a semester schedule with approximately 80 days of instruction in each term. The majority of our students take several AP courses so to minimize the homework expectations, this course is offered as a year-long course. Consequently, there is time allowed for hands on activities, internet group research, student presentations, lengthy discussions, and guest speakers. Homework is minimal as there is time during class to complete most of the assigned work. As a result, students who otherwise would not take an AP course, have an opportunity to engage in college level work and find success.

Course Overview

The course content is designed to help students develop critical-thinking skills through the understanding, application, and analysis of fundamental economic concepts. Students will be expected to apply quantitative and mathematical skills to economics. Also, they will be expected to apply economic logic to a wide variety of real-world and hypothetical situations.

This course prepares students for the AP[®] Microeconomics Examination. The exam consists of 60 multiple-choice questions and 3 free-response questions. Therefore, quizzes and exams follow a similar format. There is no calculator allowed on any portion of the exam, so all numbers are “nice” numbers. Quizzes will be given following the end of each chapter and will be purely multiple choice with an occasional short free response. Unit exams will be multiple choice with one long and one short free response question. Your solutions to free response questions will be scored with a grading rubric similar to the scoring of the AP[®] exam. After all students have taken the unit exam, solutions to the free response portion of exams will be posted online for your review, along with the scoring rubric used.

Required Reading:

McConnell, Campbell R. and Stanley L. Brue, *Economics*, 15th ed. New York: Irwin/McGraw-Hill (school issue text)

Advanced Placement Microeconomics: Student Activities, 3rd ed., New York: National Council for Economic Education.

Additional practice is available for student access at *Econ Web OnLine Economics*, www.econweb.com

Textbook online resources for students at www.mhhe.com/economics/mcconnell15

Two books will be read, one per semester, from the reading list provided. There are thousands of other books not on the provided list that if a student brings me a brief summary for my review, other books can be read. The requirements for this reading are below.

Reading Review Rubric

The goal of this assignment is to have you read and reflect on a book with an economic flair. In the case of a book in an area in which you have little training or experience, your reflections will be more

reactionary or “log-style” with comments based on “I want to learn more about....” “I was surprised to discover...” “I disagree with.....”

Part One – Summary 25 points

- Has the reviewer clearly read and understood the book?
- Is the reviewer’s summary of key points clear/accurate?
- Has the reviewer reviewed the whole book or merely the first, last, and one middle chapter?

Part Two – Reflection 25 points

- Has the reviewer made connections between the book and other disciplines?
- Does the review show an interest in the book/subject/discipline?
- Has the reviewer reacted to the book?

Course Planner

Note: Reading assignments are from the McConnell textbook, unless otherwise noted. The Activities by number refer to the Advanced Placement Exercises in the NCEE activities book for students.

Section	Topic	Timeline
Unit 1; Ch. 1, 2, 4	Basic Economics Principles; Scarcity and Opportunity Cost On the first day of school there are only 20 chairs available for students, other chairs are not accessible for students to use. This introduction to scarcity sets the stage for economic thinking for the year.	3 weeks
Debate	The debate topic varies year to year depending on current issues in the economy. Some of the debate topics are taken from <i>Taking Sides; Economic Issues</i> provided by McGraw Hill, others are selected from current issues of the <i>Economist</i> .	
	Test Your Knowledge of Economics; This “test” is given at the beginning of the year and again at the end of the year for students to see their growth of economics understanding.	
Ch. 1	The Nature and Method of Economics; The Economic Way of Thinking discussion	
Ch. 2	The Economizing Problem	
Read pp 22-36	PPC Experiment and Reflection; This experiment allows students to derive and demystify production possibilities curves.	
	Scarcity, Opportunity Cost, and PPC; Activity 2 Implicit and Explicit Costs	
	Campus Parking; Activity 4 Unlimited wants, limited resources	
	Quiz on material covered thus far	
Ch. 4	The Market System; Powerpoint presentation followed with a class discussion	
	Circular Flow; Activity 5 Market, Command, Tradition Basic Economic Question	

	Opportunity Cost, Comparative Advantage; Activity 6	
	Absolute Advantage and Comparative Advantage activity where students are given the PPC of 4 countries and asked to pick a country to represent, then partner up with a different county to negotiate trades.	
Read pp 10-12	Positive vs Normative economics Logical thinking fallacies; violation of Ceteris Paribus, Post Hoc; Fallacy of Composition	
	Mixed Problem Set of all previous material	
	Assignment: Read Robert Frost's poem, "The Road Not Taken," and analyze it in terms of opportunity cost. Speculate on the narrator's cost and suggest a similar situation you recently faced. Include an explanation of how you arrived at your decision.	
Review	Review key concepts from Unit 1	
	Unit 1 exam	
Unit 2; Ch. 3, 20, 21	Supply and Demand	5 weeks
Ch. 3	Individual Markets; Demand and Supply	
Read pp 40-43	Marginal Analysis; Demand and Supply overview	
Read pp 43-46	Nature of Demand activity where students are given asked how many would buy a CD for \$3, \$4, \$5, etc. in order to construct a demand curve ; followed by a worksheet of demand curves for graphing and analysis	
Read pp 46-49	Nature of Supply activity, similar to above	
	Demand vs quantity demanded; Activity 9,10, 11 Supply vs quantity supplied; Activity 12, 13	
	Vocabulary quiz	
Read pp 49-55	Equilibrium activity followed by a worksheet; Activity 14	
	Supply and Demand review worksheet for Ch. 3	
Read pp 374-389	Ch. 3 quiz	
	Shifts in supply and demand; Activity 15	
Ch. 20	Supply and Demand: Elasticities and Government Set Prices	
	<i>How Markets Allocate Resources</i> ; Activity 16 <i>Elasticities: An Introduction</i> ; Activity 17	
	Law of Demand Price Elasticity of Demand discussion; Total Revenue test, calculating elasticity coefficients, income elasticity of demand, cross elasticity of demand	

	<i>The Determinants of Elasticity of Demand; Activity 18</i> <i>Elasticity and Total Revenue; Activity 20</i>	
	Graphing and Analytical Methods	
	Equilibrium in Supply and Demand	
	Shifts in Supply and Demand; The determinants of supply shifts Price Floors and Ceilings Surplus and shortage	
Read pp 394-404	<i>Elasticities of Demand; Activity 19</i> <i>Excise Taxes; Activity 21</i>	
	Demand discussion Income Effect Substitution Effect Diminishing Marginal Utility Utility maximization rule Consumer Surplus	
	Supply discussion Producer Surplus	
	Unit 2 review; Answers to last years free responses posted online	
Read pp 73-90	Unit 2 exam (and all material to date)	
Unit 3 Ch. 5, 22-26	Business, labor, and Theory of the Firm	7-8 weeks
	Revisit: Scarcity, Opportunity Cost and PPC wkst Scarcity, Opportunity Cost, Values, and Choice wkst	
Ch. 5	The U.S. Economy; The Role of government	
	The Cost of College Education; wkst Understanding the Circular Flow of the Macroeconomy; wkst	
	Private or Public? Public Goods and Services; wkst Externalities; wkst	
	Business organization, sole proprietorship partnership, corporation, profit/loss, market failure	
	Ch. 5 quiz	
Ch. 22	The Costs of Production	
Read pp 415-420	Implicit costs vs Explicit costs Economic vs Accounting Profit Normal Profits Profit, Loss, Break-even, Shut-Down Law of Diminishing Returns	
	Tennis Ball Activity to illustrate Law of Diminishing returns; A bucket of balls is placed at one end of the hall, a second empty bucket at the other. A student is selected to be the recorder and one the time-keeper. One production worker (student) starts at the bucket of balls and takes one ball, runs it	

	to the other bucket places it in the bucket, and returns to get another ball. The object is to get as many balls in the second bucket as possible in 30 seconds. The next round a second student is added and the game continues. A record is kept of number of workers, average product, and marginal product. The game ends when negative marginal product occurs, or the students are just in each others way.	
	Costs of the Individual Firm; Activity 26	
Read pp 421-433	Short run production Costs Fixed costs, variable costs, total costs Average vs marginal costs Long-run production Costs Economies and diseconomies of scale Costs of Production; ATC, AVC, MC, AFC Graphical Analysis of cost curves	
	Costs of Production experiment; Students are the factory workers to make as many friendship pins (beads strung on a safety pin) as possible in 3 minutes. A production chart is kept on the board to illustrate costs of labor and amount of production based on number of workers. During the second round workers are informed that an employee is allergic to plastic so latex must be worn. For the third round workers are informed that a bead struck someone in the eye so they now have to wear protective "gear." I have paper bags with eyes cut out to be used as the protective gear. Students note that while the labor costs remain the same, these added safety precautions add a cost to production in that less product is produced, driving up the cost per unit.	
	Ch. 22 quiz	
Ch 23	Pure Competition Characteristics and Occurrence Demand from the Viewpoint of a Competitive Seller Profit Maximization in the Short-Run: Two approaches	
Read pp 437-438	Different Types of Market Structures; Activity 24	
Read pp 439-458	An Introduction to Perfect Competition; Activity 27 Charting and Graphing Costs; Activity 28	
	Profit Maximization in the Long Run; Activity 29 Pure Competition and Efficiency; Activity 30. 31 Productive Efficiency vs Allocative Efficiency	
	Activity follow up questions	
	Long-run equilibrium for a perfect competitor Graphical Analysis of pure competition	
	Ch 23 quiz	
Read pp 463-472	<i>Marginal Revenue for an Imperfect Competitor</i> ; Activity 32 Activity 32 follow-up questions	

	Monopoly; Activity 33, 34 Implications of Downward Sloping Demand Curve Consumer and Producer Surplus	
Read pp 472-482	Regulating Monopoly; Activity 37 Price Discrimination; Activity 36 Socially Optimal Price Fair Return Price Review; Activity 39	
	Monopoly worksheets; summary of all concepts	
	Ch. 24 quiz	
Read pp 486-493	Monopolistic Competition; Activity 40	
	Oligopoly; Activity 42	
Read pp 493-507	Game Theory; Activity 41 Kinked Demand Curve	
	Business Decision Making; Activity 42	
	Technology, R & D, Efficiency discussion	
	Review	
	Unit 3 exam (and all material to date)	
Unit 4 Ch. 27, 28, 29	Factor Markets	3 weeks
	Factor markets Overview Circular Flow of Economic Activity; Activity 43	
Read pp 532-546	Derived Demand; Activity 45 MRC=MRP; Activity 44 Least Cost/Profit Maximizing Combination of Resources Marginal physical product Value of marginal product Productivity; Activity 47	
Read pp 550-576	Wage determination in competitive labor markets; Activity 48	
	Wage determination in monopsony markets; Activity 49	
	ch. 27 quiz	
	Role of Unions Minimum Wage Argument Debate (this activity is conducted as a research project and presentation in a debate format)	
	Distribution of Income	
	Economic Rent; Activity 50 Rent seeking behavior	
	Review; Activity 51	

	Ch. 27-28 quiz	
	Review	
	Unit 4 exam (and all material to date)	
	Overall review of all material, revisit all concepts, practice past exam questions and review and final exam schedule; end of first semester.	
	Final exam is given in a 2 hour block, similar format of AP exam;	1 week final exam schedule
	First week after final exam review of most commonly missed concepts from first semester. Additional mock AP practice.	1 week revisit of 1 st semester concepts
Unit 5 Ch. 5, 30, 31, 34	Public Finance; Market Failure and Role of Government	4 weeks
	The U.S. Economy overview	
Read pp 588-607	Role of Government Public vs Private; Activity 52	
	Externalities; Activity 54	
Read pp 592-607	Coase Theorem; Activity 55 Economic Efficiency; Activity 56 The Economics of Information; Activity 57 Marginal Analysis	
	Ch 30 quiz	
	Market Failure; Activity 58	
Read pp 619-620	Taxes; Activities 59, 60 Progressive/Proportional/Regressive Tax Reform Flat tax	
	Ch. 31 quiz	
	Review, discussion ch 34	
	guest speaker from local city government	
	guest speaker from Microsoft	
	Unit 5 exam	
	Spring break	1 week
	AP Review	3 weeks

Student Evaluation

The majority of a student's performance is assessments, quizzes, exams, and the final. Participation plays a role in a student's final grade if a student is on the border of two grades. Homework is a minimal part of a student's overall grade and is required. A project at the end of the year after the AP exam is a large portion of the second semester grade.

Quizzes are mostly multiple choice and based on the particular chapter being covered. Unit exams are weighted $\frac{2}{3}$ multiple choice and $\frac{1}{3}$ free-response, similar to the format of the AP Exam.

Student Activities

Students who complete the full two semesters are well-prepared to take the AP Microeconomics Exam. Students are expected to complete a book review the second semester and a final comprehensive project, after the AP Exam. In addition, guest speakers on a variety of topics will come in, depending on the interests of the students. For example, this year a bank manager has provided a set of 4 modules directly related to personal finance, which the students are finding fascinating. Students are learning about loans, credit, financial institutions, investing, etc. There will also be an investment banker coming in to follow-up with the students on personal investments.

Time is not an issue in this course, so the students are able to participate in a variety of hands-on activities to get a feel for economics. This is most students' first experience with economics and we spend a great deal of time on economic vocabulary used incorrectly in everyday language, due to misconceptions and misunderstandings.