

Course Name: AP Macroeconomics and the Free Enterprise System

One Semester Course: 18 weeks, M-F, 7 period day, 51 minutes per class

Bibliography of Texts:

Main Text:

McConnell, Campbell R. and Stanley L Brue
Economics: Principles, Problems, and Policies
McGraw-Hill/Irwin: 15th Edition, 2002
ISBN: 0-07-234036-3

Activities Manual:

Morton, John S. and Rae Jean B. Goodman
Advanced Placement Economics: Macroeconomics
National Council on Economic Education: 3rd Edition, 2003
ISBN: 1-56183-567-6

Course Plan (Sequence of the Topics Covered):

Unit 1
Introductory Materials

Topics Covered:

Scarcity, Opportunity Cost, Factors of Production, Supply and Demand
Laws, Curves and Determinants, Equilibrium Price and Quantity, Ceilings,
Floors, Basic Circular Flow Models, Production Possibility Frontiers, Basics of
Business Cycles, Inflation, Macro versus Micro, *Ceteris Paribus*, "Full
Employment", Efficiency, Substitute Goods, Complementary Goods

College Board Course Outline Correlation: "Basic Economic Concepts: A, B, D, E"

Text Chapters: 1, 2, 3

Test on Chapters 2 and 3 (together)

Time Committed to the Unit: 2 weeks (*Weeks 1 & 2*)

Unit 2
Business Types, Market Types, Market Strategies

Topics Covered:

Sole Proprietorship, Partnership, Corporation
Perfect Competition, Monopolistic Competition, Oligopoly, Monopoly
Marketing Assumptions, Major Advertising Types, Spillover Benefits,
Spillover Costs

College Board Course Outline Correlation: (State Curriculum Requirements)

Text Chapters: 4, 5

Test on Chapters 4 and 5 (together)

Time Committed to the Unit: 1 week (*Week 3*)

Unit 3
National Income Accounting

Topics Covered:

GDP, GNP, NNP, NI, PI, DI, Consumption and Savings, Inflation, Nominal versus Real, Intermediate Goods, Expenditure Approach to GDP, Income Approach, Gross versus Net, Formulas from GDP to DI, CPI, Per Capita

College Board Course Outline Correlation: "Measurement of Economic Performance: II A"

Text Chapter: 7

Time Committed to the Unit: 3 weeks (*Weeks 4, 5, 6*)

Unit 4
Growth and Business Cycles

Topics Covered:

Rule of 70, Productivity, Components and Patterns of the Business Cycles, Types of Unemployment, Unemployment Rates, Okun's Law, GDP Gap, Rates of Inflation, Demand-Pull, Cost Push, Nominal Income versus Real, Unanticipated Inflation, Aggregate AS/AD Model introduction

College Board Course Outline Correlation: "Measurement of Economic Performance: II B, C"

Text Chapter: 8

Test on Chapters 7 and 8 (together)

Time Committed to the Unit: 1 week (*Week 7*)

Unit 5
Aggregate Models

Topics Covered:

Consumption and Savings Schedules, APC, APS, MPC, MPS, Nominal Interest Rates, Real Interest Rates, Investment Demand Curves, Aggregate Demand and Curves, Aggregate Supply and Curves, Determinants of AD and AS, Productivity, Multipliers

College Board Course Outline Correlation: "National Income and Price Determination: A, B, C"

Text Chapter: 9, 11

Test on Chapters 9 and 11 (together)

Time Committed to the Unit: 3 weeks (*Weeks 8, 9, 10*)

Unit 6
Fiscal and Monetary Policy Options

Topics Covered:

Employment Act of 1946, Fiscal Policy Options, Fed Policy Options, Monetarist Analysis and Reactions, Supply Side-Neo Classical Options, Crowding

Out Effects, Value of Money, Money Creation, M1, M2, M3, Money Supply, Fed Powers, FOMC, Countercyclical goals, Loan-able Funds Market, Private Bonds Markets, Fed Fund Rates, Reserves, Excess Reserves, Reserve Ratio, Liquidity, Easy Money, Tight Money, Short Run AS, Long Run AS

College Board Course Outline Correlation: "Financial Sector" and "Inflation, Unemployment, Stabilization Policies"

Text Chapter: 12 through 15, 29 (Loan-able Funds)

Tests on Chapters 12 and 13 (together)

Time Committed to the Unit: 3 weeks (*Weeks 11, 12, 13*)

Unit 7 Modern Perspectives

Topics Covered:

Phillips Curve SR, Phillips Curve LR, Stagflation, Disinflation, Supply Side/Neo-Classical, Labor Productivity, $MV = PQ$, Basics of Rational Expectations School

College Board Course Outline Correlation: "Financial Sector"

Text Chapters 16 through 19 (relevant parts)

Time Committed to the Unit: 1 week (*Week 14*)

Unit 8 International Trade

Topics Covered:

Export and Import Trends, Trade Surpluses and Deficits, Tariffs Plus and Minus, Most Favored Nations, WTO Growth, Free Trade Basics, Non-tariff Barriers, Multinationals, Currency Values and Exchanges, Dollarization, Balance of Payments Systems, Remittances, Domestic Policy connections to Trade, Comparative Advantages, Currency Exchange Graphs, Current Accounts, Capital Accounts

College Board Course Outline Correlation: "Economic Growth and Productivity", "Open Economy: International Trade and Finance"

Text Chapters: 6, 17, 37, 38

Test on all chapters relevant to these specific international topics

Time Committed to the Unit: 2 weeks (*Weeks 15 & 16*)

Additional Assignments

Readings and Chapter Quizzes from New Ideas from Dead Economists:

These assignments occur throughout the semester and cover all the basic historic philosophers of economics.

Macroeconomic Graphing

Students will create a master chart of graphs and be able to create and give an analysis for:

- Production Possibility Frontiers
- Business Cycles and the Secular Trend
- Consumption and Savings Functions and Links
- Investment Demand Curve
- Aggregate Supply Segments and Biases (Keynes versus Say's Law)
- Aggregate Demand and Aggregate Supply Model
- Money Supply Markets
- Loan-able Funds/Private Savings Market
- Private, Domestic Bond Markets
- Phillips Curves
- Laffer Curve
- Dollar Markets/Foreign Currency Markets

Post AP Exam Topics

The US and World Stock Markets: NYSE, NASDAQ,

IRS Taxes and 1040 forms

State and Regional Economics

Personal Economics like banking, loans, credit cards....

- These topics are part of the general economics curriculum of the state and are covered as time permits from the mid-May exam time to the time of finals. This will be the bulk of Post-AP time to prepare students for life after High School.

Time Usually committed to the Units: 2 weeks (*Weeks 17 & 18*)

Tests and Quizzes

Chapter tests are taken from the text publisher's test bank. All multiple choice questions contain 5 answer choices, phrased in the same style as the College Board AP test. Most test will contain 50 questions and will be given in one 50 minute class period. Daily grades will include reading quizzes, graphing problems, sample "free-response" questions, and workbook activities.

The free-response questions will be taken from older AP test samples or variations of those questions. The main themes of free-response questions will be: aggregate models, Keynesian versus Monetary policies, money markets, stability and the Phillips Curve, international trade of currencies, comparative advantages.

According to district rules for grading, there will be a minimum of 3 major (summative) and 9 daily (formative) grades per nine weeks grading period.

Morton and Goodman Workbook (3rd Edition)

The following items will be used for graphing and economic calculations practice.

The goal is to cover the following activities from this AP source:

Unit 1, Activity 1-1	Production Possibilities Curves
Unit 1, Activity 2-4	Changes in Demand
Unit 1, Activity 3-6	Changes in Supply
Unit 1, Activity 4-7	Changes in EP, EQ
Second Edition, Activity 6	Simple Circular Flow
Second Edition, Activity 10, Part B	GDP, GNP to DI and Savings
Unit 2, Activity 3-13	Price Indexes
Unit 2, Activity 3-15	Inflation: Helped or Hurt?
Unit 2, Activity 4-16	Types of Unemployment
Second Edition, Activities 24, 25	Marginal Propensity to Consume, Save
Second Edition, Activity 16, Part B	Changes in AD
Second Edition, Activity 17, Part B	Changes in AS
Unit 3, Activity 5-25	Changes in AD and AS
Second Edition, Activity 39	Federal Reserve Monetary Policy
Unit 4, Activity 3-37	Demand Deposits
Unit 4, Activity 3-38	Changes in Fed Policy Options
Unit 4, Activity 6-41	Nominal and Real Interest Rates
Unit 6, Activity 1-49	Comparative Advantage
Unit 6, Activity 1-50	Comparative Advantage and Trade
Unit 6, Activity 3-52	Current Accounts
Unit 6, Activity 3-53	Capital Accounts
Unit 6, Activity 3-54	Currency Exchange Rates

Outline and Summary of the Course Scope and Sequence

Unit	Topic/s	Time
1	Introductory Macro Topics and Terms	Weeks 1 and 2
2	Business Types, Market Types, Market Strategies	Week 3
3	National Income Accounting	Weeks 4, 5, 6
4	Growth and Business Cycles	Week 7
5	Aggregate Models	Weeks 8, 9, 10
6	Fiscal and Monetary Policy Options	Weeks 11, 12, 13
7	Banking and Money Multipliers	Week 14
8	International Trade	Week 15, 16
9	Post AP Exam Topics: Stocks, Taxes, Personal Economics	Weeks 17, 18