

AP Economics Course Overview

Content Area: **Social Studies**
Course(s): **AP MACROECONOMICS**
Time Period:
Length: **Year**
Status: **Published**

Cover

EAST BRUNSWICK PUBLIC SCHOOLS

East Brunswick New Jersey

Superintendent of Schools

Dr. Victor P. Valeski

Social Studies

Advanced Placement Macroeconomics

Course Number: 1053

BOARD OF EDUCATION

Todd Simmens, President

Vicki Becker, Vice President

Susanna Chiu

Robert Cancro

Liwu Hong

Laurie Lachs

Barbara Reiss

Chad Seyler

Meredith Shaw

Course Adoption: 12/21/2006

Curriculum Adoption: 9/25/2008

Date of Last Revision Adoption: 9/1/2017

Course Description

This course is intended for students seeking an in-depth understanding of macroeconomic issues and principles usually involving large institutional players like banks and the Federal government. An understanding of statistics, their derivation and use, is also critical to an in-depth understanding of topics. It will prepare students for the Spring administration of the A. P. Macroeconomics examination. Topics will include measurements of economic health and performance (inflation, unemployment, GDP growth, price indices), aggregate supply and demand, national income and wealth, monetary policy and the role of the Federal Reserve and the banking system, financial markets and exchange rates, productivity, international trade and balance of payments.

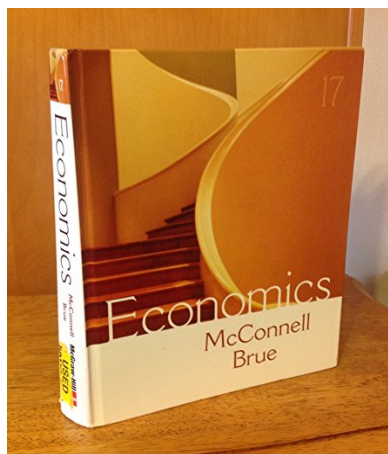
SCED: 04204 AP Macroeconomics

Following the College Board's suggested curriculum designed to parallel college-level macroeconomics, AP Macroeconomics courses provide students with a thorough understanding of the principles of economics that apply to an economic system as a whole. They place particular emphasis on the study of national income and price determination and developing students' familiarity with economic performance measures, economic growth, and international economics.

Course #	School #	Course Level	Grade(s)	Credits	Min.	Per Week	Elective/Required	Initial Course Adopted
1053	050	AP	11-12	5.00	210		E	09/25/08

Class Materials

Economics: Principles, Problems, and Policies (17th ed), Cambell R.McConnell and Stanley L. Brue. McGraw Hill, 2008.



Supplemental:

Wheelan, C. *Naked Economics: Undressing the Dismal Science*. W.W. Norton & Company, Inc. New York, NY. 2010.

Units of Study

UNIT 1: BASIC ECONOMIC CONCEPTS

-

- SWBAT define scarcity, evaluate the causes, and determine long and short term consequences on consumer choices.
- SWBAT to explain opportunity costs as it applies to individuals and larger groups and evaluate multiple factors that weigh into the trade-off.
- SWBAT draw and explain a "Production Possibilities Curve" and the forces that can shift it along the curve or shift the entire curve.
- SWBAT compare and contrast various economic systems throughout history; evaluate variations within in each.
- SWBAT differentiate between the comparative and absolute advantage theories of trade and be able to describe at what point mutually advantageous trade would take place between countries.
- SWBAT to graphically plot trends in a business cycle and be able to define the events that would be taking place in each part of the cycle (including inflation, unemployment, GDP growth).
- SWBAT define demand; create a demand schedule; mathematically plot that schedule on a graph, determine whether demand along the demand curve at any point or series of points is elastic, inelastic, or unitary elastic.
- SWBAT define supply; create a supply schedule; mathematically plot that schedule on a graph, determine whether supply along the demand curve at any point or series of points is elastic, inelastic, or unitary elastic.
- SWBAT define what the equilibrium point is on a supply/demand graph; evaluate the impacts of various governmental interventions to shift the entire supply demand curve and this equilibrium point or shift either supply or demand.
- SWBAT describe basic economic relationships such as the multiplier effect, income-consumption, income-saving, and interest rate-investment.

UNIT 2: MEASUREMENT OF ECONOMIC PERFORMANCE

- SWBAT to state the basic macroeconomic goals that should be promoted by national governments.
- SWBAT explain the circular flow of money and graphically/visually represent that.
- SWBAT define Gross Domestic Product (GDP) and describe the components of it; explain the difference between real and nominal GDP; evaluate the uses of GDP as a measurement tool and discuss the potential shortcomings of using GDP as a measurement tool.
- SWBAT describe the Income approach to measuring economic output and evaluate the economic calculations using the Income approach.
- SWBAT describe the Expenditures approach to measuring economic output and evaluate the economic calculations using the Expenditures approach.

UNIT 3: NATIONAL INCOME and PRICE DETERMINATION

- SWBAT describe the four component part of aggregate demand; how the spending multiplier effect impacts this; how crowding out impacts the aggregate demand curve; explain why the aggregate demand curve slopes downward.
- SWBAT define aggregate supply and how it is determined; how it is viewed in the short and long runs.
- SWBAT define sticky-wage and sticky-price concepts and compare and contrast these concepts and their impacts on the aggregate supply to flexible wages and prices and their impacts on aggregate supply.
- SWBAT use aggregate supply and demand model to determine national income and to analyze the impact of economic fluctuations on the economy's outputs, both in the short and long run.

UNIT 4: FINANCIAL SECTOR/ FINANCIAL MARKETS

- SWBAT define monetary policy and explain how it differs from fiscal policy.
- SWBAT explain how the Federal Reserve System operates to control the supply/value of money.
- SWBAT explain how money is a commodity and how it is affected by the supply/demand curves.
- SWBAT to demonstrate the linkage between interest rates and changes in aggregate demand.
- SWBAT to describe how equilibrium in the money markets determines equilibrium in interest rates.
- SWBAT to explain the quantity theory of money.
- SWBAT to demonstrate the connections between monetary policy decisions and real output growth and inflation.

UNIT 5: INFLATION

- SWBAT use various indices to determine inflation; be able to define nominal and real values; to explain and evaluate the costs (economic, political, social), of inflation and associated trade-offs.
- SWBAT describe how fiscal and monetary policy decisions create inflationary pressures or alleviate them.
- SWBAT evaluate the impact of inflation on supply and demand; analyzing impacts of short-run shocks and long-run disruptions in the absence of public policy actions.
- SWBAT describe the relationship between inflation and other economic indicators such as unemployment; to describe and graphically plot the Phillips Curve.
- SWBAT analyze the flaws in the Phillips Curve and the relationship between inflation and unemployment that the 1992-2000 economic expansion brought to light.

UNIT 6: UNEMPLOYMENT

- SWBAT define unemployment; differentiate between the types of unemployment.
- SWBAT assess the validity of the concept of natural unemployment.
- SWBAT analyze the flaws in the Phillips Curve and the relationship between inflation and unemployment that the 1992-2000 economic expansion brought to light.
- SWBAT evaluate the impact of unemployment on supply and demand; analyzing impacts of short-run shocks and long-run disruptions in the absence of public policy actions.
- SWBAT describe how fiscal and monetary policy decisions create unemployment or alleviates it.

UNIT 7: STABILIZATION POLICIES

- SWBAT describe the targets of supply-side and demand-side stimulation policies; identifying the conditions, both economic and political, that would call for such stimulation; analyze the impacts of such stimulation on various economic indicators such as, but not limited to GDP, inflation, employment, per capita income; analyze impacts of such stimulation policies on consumer behavior, business behavior, and global economic behavior.
- SWBAT to analyze the benefits and harms of federal budget deficits, deficit spending, and debt service on the economy.
- SWBAT describe and analyze the relationship between deficits, interest rates, and inflation.
- SWBAT evaluate recent Federal Reserve policy decisions on monetary policy.
- SWBAT evaluate recent fiscal policy decisions of the Federal government in areas such as tax cuts or increases, as well as program cuts or expansions.

UNIT 8: ECONOMIC PRODUCTIVITY

- SWBAT describe the conditions under which long-run economic growth occurs; explain the 1992-2000 economic expansion in these terms.
- SWBAT describe how technological improvements since 1950 have impacted productivity; analyze how productivity gains impacted real output and the standard of living.
- SWBAT explain how investments in working training and education, research and development, outsourcing, have impacted productivity.
- SWBAT to analyze the pronouncements of major political parties and candidates to judge their impacts of long-run economic growth.

UNIT 9: INTERNATIONAL TRADE

- SWBAT define the qualities of an open economy, fair trade, free trade, and balanced trade.
- SWBAT differentiate between financial markets and goods markets.
- SWBAT evaluate problems that arise from trade imbalances.
- SWBAT analyze relative strengths and weaknesses of currencies; describe and analyze what shifts in exchange rates between currencies does for economic activity within a country; determine who benefits /suffers from weak / strong currency.
- SWBAT evaluate the role of international organizations such as the World Trade Organization, World Bank, International Monetary Fund in facilitating economic development and
- global trade.
- SWBAT evaluate national policy decisions such as embargoes, blockades, and interventions in currency markets as to their impacts on global trade and development.

UNIT 10: MACROECONOMICS AROUND THE GLOBE

- SWBAT apply all previous learning of macroeconomic knowledge that is US-based to global situations (other countries, regional associations) to determine if macroeconomic concepts that are relevant here are applicable in other countries.
- SWBAT determine the benefits and drawbacks of regional trade associations such as NAFTA and the Eurozone and offer analysis as to whether certain countries within those trade associations are benefiting from the association.
- SWBAT determine whether the United Kingdom and other European Union members who are not currently part the European Monetary Union ("Euro") should join.
- SWBAT analyze other global situations on and ad hoc basis.

Standards

MA.S-IC.B.6	Evaluate reports based on data.
PFL.9.1.12.A.5	Analyze how the economic, social, and political conditions of a time period can affect the labor market.
PFL.9.1.12.A.7	Analyze and critique various sources of income and available resources (e.g., financial assets, property, and transfer payments) and how they may substitute for earned income.
PFL.9.1.12.A.8	Analyze different forms of currency and how currency is used to exchange goods and services.
PFL.9.1.12.A.11	Explain the relationship between government programs and services and taxation.
PFL.9.1.12.B.8	Describe and calculate interest and fees that are applied to various forms of spending, debt, and saving.
PFL.9.1.12.C.1	Compare and contrast the financial benefits of different products and services offered by a variety of financial institutions.
PFL.9.1.12.D.12	Compare and contrast the past and present role of government in the financial industry and in the regulation of financial markets.
PFL.9.1.12.D.13	Determine the impact of various market events on stock market prices and on other savings and investments.
PFL.9.1.12.D.14	Evaluate how taxes affect the rate of return on savings and investments.
SOC.6.1.12.C.3.b	Relate the wealth of natural resources to the economic development of the United States and to the quality of life of individuals.
SOC.6.1.12.C.5.a	Analyze the economic practices of corporations and monopolies regarding the production and marketing of goods, and determine the positive or negative impact of these practices on individuals and the nation and the need for government regulations.
SOC.6.1.12.C.6.a	Evaluate the effectiveness of labor and agricultural organizations in improving economic opportunities for various groups.
SOC.6.1.12.C.6.b	Determine how supply and demand influenced price and output during the Industrial Revolution.
SOC.6.1.12.C.6.c	Analyze the impact of money, investment, credit, savings, debt, and financial institutions on the development of the nation and the lives of individuals.
SOC.6.1.12.C.9.a	Explain how government can adjust taxes, interest rates, and spending and use other policies to restore the country's economic health.
SOC.6.1.12.C.9.b	Explain how economic indicators (i.e., gross domestic product, the consumer index, the national debt, and the trade deficit) are used to evaluate the health of the economy.
SOC.6.1.12.C.9.c	Explain the interdependence of various parts of a market economy (i.e., private enterprise, government programs, and the Federal Reserve System).
SOC.6.1.12.C.9.d	Compare and contrast the causes and outcomes of the stock market crash in 1929 and other periods of economic instability.
SOC.6.1.12.C.10.a	Evaluate the effectiveness of economic regulations and standards established during this time period in combating the Great Depression.
SOC.6.1.12.C.12.d	Assess the role of the public and private sectors in promoting economic growth and ensuring economic stability.
SOC.6.1.12.C.14.a	Use economic indicators to evaluate the effectiveness of state and national fiscal (i.e., government spending and taxation) and monetary (i.e., interest rates) policies.
SOC.6.1.12.C.14.b	Judge to what extent government should intervene at the local, state, and national levels on issues related to the economy.
SOC.6.1.12.C.14.c	Analyze economic trends, income distribution, labor participation (i.e., employment, the

	composition of the work force), and government and consumer debt and their impact on society.
SOC.6.1.12.C.15.a	Relate the role of America's dependence on foreign oil to its economy and foreign policy.
SOC.6.1.12.C.15.b	Assess economic priorities related to international and domestic needs, as reflected in the national budget.
SOC.6.1.12.C.16.a	Evaluate the economic, political, and social impact of new and emerging technologies on individuals and nations.
SOC.6.1.12.C.16.b	Predict the impact of technology on the global workforce and on entrepreneurship.
SOC.6.1.12.C.16.c	Assess the impact of international trade, global business organizations, and overseas competition on the United States economy and workforce.
SOC.6.2.12.C.2.a	Relate the development of more modern banking and financial systems to European economic influence in the world.
SOC.6.2.12.C.3.c	Compare the characteristics of capitalism, communism, and socialism to determine why each system emerged in different world regions.
SOC.6.2.12.C.6.c	Assess the role government monetary policies, central banks, international investment, and exchange rates play in maintaining stable regional and global economies.
TECH.8.1.12	Educational Technology: All students will use digital tools to access, manage, evaluate, and synthesize information in order to solve problems individually and collaborate and to create and communicate knowledge.

Grading and Evaluation Guidelines

GRADING PROCEDURES

In terms of proficiency level the East Brunswick grades equate to:

- A Excellent - Advanced Proficient
- B Good Above Average - Proficient
- C Fair - Proficient
- D Poor - Minimally proficient
- F Failing - Partially Proficient

In AP Macroeconomics the goal is that every students will score a passing grade on the national exam. The department will analyze the achievement of students on Unit Assessments, Mid-term and Final Exams and Final Course Grades, and for Final Course Grades the achievement of subgroups identified by the state to determine if modifications in the curriculum and instructional methods are needed.

The final course proficiency grade will be the average of the four marking period grades (90%) and the department prepared mid-year (10%) examinations aligned with NJSLs and the applicable content standards.

Marking period grades will be based on the average of unit grades and any special cross-unit projects.

Unit assessments, delineated for each unit, will include such measures as:

- Written and Performance Measures of proficiency objectives (coded to NJSL & State Content Standards)
- Records of oral participation in classroom discussions related to unit objectives
- Records of achievement of lesson objectives (i.e. formative assessments, relevant homework)