04 Firm Behavior and Market Structures 1

Content Area: **Social Studies**
Course(s): **AP Economics**
Time Period: **Semester 1**
Length: **2 weeks**
Status: **Published**

Standards

6.1.12.EconGE.1.a	Explain how economic ideas and the practices of mercantilism and capitalism conflicted during this time period.
	Economic ways of thinking are influenced by economists, economic theories, and economic laws (e.g., Smith, Malthus, Ricardo, Marx, Schumpeter, Keynes, Friedman).
6.2.12.EconET.5.a	Compare and contrast free market capitalism and Western European democratic socialism with Soviet communism.
6.2.12.EconET.5.b	Articulate a point of view which assesses the reasons for and consequences of the growth of communism and shift toward a market economy in China.
	Economic globalization affects economic growth, labor markets, human rights guarantees, the environment, resource allocation, income distribution, and culture.
6.2.12.EconGE.5.a	Evaluate the role of the petroleum industry in world politics, the global economy, and the environment.
6.2.6	Contemporary Issues
	Global economic activities involve decisions based on national interests, the exchange of different units of exchange, decisions of public and private institutions, and the ability to distribute goods and services safely.
6.2.12.EconGE.6.a	Evaluate efforts of governmental, non-governmental, and international organizations to address economic imbalances, social inequalities, climate change, health and/or illiteracy.
6.2.12.EconGE.6.b	Assess the role government monetary policies, central banks, international investment, and exchange rates play in maintaining stable regional and global economies.
	Economic globalization affects economic growth, labor markets, human rights guarantees, the environment, resource allocation, income distribution, and culture.
6.2.12.EconGE.6.c	Relate the rise of the Internet and social media to global economy.
6.3.12.EconGE.1	Participate in a simulated meeting (e.g., President's Council, World Bank, International Monetary Fund (IMF), research evidence from multiple sources about an economic problem (e.g., inflation, unemployment, deficit), and develop a plan of action.
6.3.12.HistorySE.1	Analyze the impact of current governmental practices and laws affecting national security and/or First Amendment rights and privacy (e.g., immigration, refugees, seizure of personal property, juvenile detention, listening devices, deportation, religion in schools).
6.3.12.HistoryCA.12	Analyze a current foreign policy issue by considering current and historical perspectives, examining strategies, and presenting possible actions.

Enduring Understandings

1. Since prices are hard to affect in a competitive market, businesses focus on productivity and cost-cutting.
2. Governments might regulate monopolies rather than eliminate them in the interest of serving the public.
3. Since firms have little control over the price of their good, advertising and product differentiation

become very important.

Essential Questions

1. How do basic economic concepts help explain real-world outcomes?
2. What are the nature and functions of markets?
3. What roles and impacts do governments have on an economy?
4. Why is perfect competition considered an ideal, and what are its strengths and weaknesses from a societal perspective?
5. What is the fundamental goal of a firm, and how does it influence all of its decisions?

Knowledge and Skills

Students will be able to.....

1. Distinguish among the four categories of market structure and graph them correctly
    - Perfect Competition
    - Monopoly
    - How does this impact small businesses
2. Construct side-by-side market and firm graphs illustrating how market price affects firm demand
3. Identify and explain the profit-maximizing level of output on graphs of costs and revenue curves
4. Distinguish among the possible outcomes of firms in a market:
    - Economic profits
    - Normal profits
    - Loss
    - Shut-down
5. Explain and give examples of how firms use price discrimination

Transfer Goals

Students will be able to independently.....

1. Use economic concepts and approaches to affect their personal decision making and to help them make sense of the real world economy
2. Identify and invest (or disinvest) in industries and businesses based on their economic fundamentals

Resources

Textbook:

Krugman's Economics for AP by University Paul Krugman (Adapter), Robin Wells (Adapter), Professor Margaret Ray (Author), David Anderson (Author).

Supplemental Readings/Sources:

ACDC Worksheets and PowerPoints

Articles from the Economist

Economics By Example Readings

FRQs and Practice Multiple Choice Questions

Review Book: 5 Steps to a 5

Ultimate Review Guide

Additional Resources from WH databases, and articles connected to the content, including primary readings, historiography, and secondary sources.

Internet/Digital Sources:

ACDC Youtube Video Clips

Crashcourse Economics Video Clips

AP Classroom Resources

Albert IO

Khan Academy

News publications, including but not limited to NYTimes, Washington Post.

Upfront Magazine

Pear Deck

Albert i.o.

WH Databases, AI (Gemini, Copilot, Magicshoolai), Pear Deck

Web-based resources including but not limited to digital media (SIFT method), primary sources, peer reviews,

historical documents and writings of historians

Assessments

https://docs.google.com/document/d/1mKgdwpriGuRcVHIVCJUdBEk7lih12Q0ckKSTC4TMUXs/edit

Modifications

https://docs.google.com/document/d/1ODqaPP69YkcFiyG72fIT8XsUIe3K1VSG7nxuc4CpCec/edit?tab=t.0