



Sonoran Science Academy

Course Syllabus: AP Microeconomics

Semester 1

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Course Description

The purpose of AP Microeconomics is to give students a thorough understanding of the principles of economics that apply to the functions of individual decision makers, both consumers and producers, within the economic system. It places primary emphasis on the nature and functions of product markets and includes the study of factor markets and of the role of government in promoting greater efficiency and equity in the economy. The following is a brief discussion of these topics and some aspects of them that a teacher may choose to explore.

Topic Outline

- I. Basic Economic Concepts . (8–14%)
 - A. Scarcity, choice and opportunity cost
 - B. Production possibilities curve
 - C. Comparative advantage, absolute advantage, specialization and trade
 - D. Economic systems
 - E. Property rights and the role of incentives
 - F. Marginal analysis
- II. The Nature and Functions of Product Markets (55–70%)
 - A. Supply and demand (15–20%)
 1. Market equilibrium
 2. Determinants of supply and demand
 3. Price and quantity controls
 4. Elasticity
 - a. Price, income and cross-price elasticities of demand
 - b. Price elasticity of supply
 5. Consumer surplus, producer surplus and market efficiency
 6. Tax incidence and deadweight loss
 - B. Theory of consumer choice (5–10%)
 1. Total utility and marginal utility

2. Utility maximization: equalizing marginal utility per dollar
3. Individual and market demand curves
4. Income and substitution effects
- C. Production and costs (10–15%)
 1. Production functions: short and long run
 2. Marginal product and diminishing returns
 3. Short-run costs
 4. Long-run costs and economies of scale
 5. Cost minimizing input combination
- D. Firm behavior and market structure (25–35%)
 1. Profit:
 - a. Accounting versus economic profits
 - b. Normal profit
 - c. Profit maximization: $MR=MC$ rule
 2. Perfect competition
 - a. Profit maximization
 - b. Short-run supply and shutdown decision
 - c. Behavior of firms and markets in the short run and in the long run
 - d. Efficiency and perfect competition
 3. Monopoly
 - a. Sources of market power
 - b. Profit maximization
 - c. Inefficiency of monopoly
 - d. Price discrimination
 - e. Natural monopoly

Objectives

Students will be able to:

1. Demonstrate economic questioning and analysis skills.
2. Interpret a variety of graphical models and paraphrase economic concepts.
3. Analyze the development of modern economic theory.
4. Explain the basic connections between economics and calculus.
5. Use and interpret the language of business and basic measurements of economics performance.
6. Apply economic skills and concept knowledge to higher college-level economic courses.

Required Books/Resources

- Textbook: Bade, Robin and Michael Parkin. *Foundations of Economics*, 5th ed. New York: Pearson, 2011.

- Morton, John S. *Advanced Placement Economics: Microeconomics*. New York, NY: National Council on Economic Education, 2003. Two books: *Student Activities* and *Teacher Resources Manual*.
- Studenmund, A. H., Richard L. Stroup, and James D. Gwartney. *Coursebook to Accompany Economics: Private and Public Choice*. Fort Worth: Dryden Press, 2005. (Special topics are used for research projects.)
- Workbook: Bade & Parkin. *Foundations of Economics Workbook*.
- Workbook: Baron's *AP Microeconomics/Macroeconomics*. Baron's Educational Series, 2009.

Supplemental Resources

- *Entrepreneurship in the U.S. Economy: Student Book of Readings*. New York, NY: National Council of Economic Education, 1994. (For use as bell work/warm up exercises).
- Lopus, Jane S., et. al. *Capstone: Exemplary Lessons for High School Economics Education*. New York: National Council on Economic Education, 2003. Two books: *Student Activities* and *Teacher's Guide*.
- Caldwell, Jean, et. al. *Learning, Earning and Investing; High School*. New York, NY: National Council on Economics Education, 2004.
- Leet, Don R., et. al. *Personal Decision Making: Focus on Economics*. New York, NY: National Council on Economics Education, 1996.
- Schug, Mark C. and Richard D. Western. *The Great Economics Mysteries Book: A Guide to Teaching Economics Reasoning Grades 9-12*. New York, NY: National Council on Economics Education, 2000.
- Wight, Jonathan E. and John S. Morton. *Teaching the Ethical Foundations of Economics*. New York, NY: National Foundation of Economics Education, 2007.
- *The Economists*
- *The Wall Street Journal*

Course Materials

- One notebook with college-ruled paper and folders devoted exclusively to European History
- Black pens (all free response questions must be completed in black or dark blue pen)
- Pencils (all multiple choice questions must be completed in pencil)
- Highlighters

Students should keep the following items in your notebook: syllabus, notes (from readings, lectures, and class discussions), daily assignments, and any items handed out in class. All graded tests and quizzes should be kept for studying for the semester final and AP test to be taken in May. Any student not registering for the AP test will be required to take a cumulative final exam.

Research Project

- Students will complete a research project to be due the last week of the semester, before the final. While there is not specific limit to the number of sources used, successful projects will use both primary sources and *scholarly* secondary sources. Wikipedia and Ask.com are NOT considered scholarly sources. Students will produce an annotated bibliography in MLA format indicating the context, purpose and/or intended audience, author's point of view, and type of source or argument and tone.

Course Policies

MAKE-UP WORK:

After an **excused absence** it is the student's responsibility to contact the teacher to receive any instruction or paperwork that was missed. Students are responsible for making-up assignments, tests or quizzes missed as a result of an excused absence.

Homework assignments, tests, and quizzes are announced at least a week in advance on the homework board and on my website, as a result, students are expected to make-up quizzes and turn in missing assignments on the day they return to school. Tests must be made-up within three days of returning to school. It is the student's responsibility to schedule a time to make up a missing test with the teacher.

In-class assignments missed due to an excused absence may be made up with three days of returning to school. If missing assignments, tests, or quizzes are not made up within the specified time they will receive a zero.

HOMEWORK POLICY:

Students are expected to complete weekly readings in both the textbook and supplementary assignments. Students will complete a detailed outline of the textbook chapter, in addition to, answering assigned questions or preparing a 2 – 3 page précis for the supplemental material

No late homework assignments will be accepted. If you do not have your homework at the beginning of class on the due date, you will receive a zero.

In terms of extended projects and papers, the grade will drop one letter grade for each day the assignment is late. One Day Late – highest grade possible is a B, Two Days Late – highest grade possible is a C, etc. **Late projects and papers will not be accepted after 5 days.**

The teacher will inform students when a project or paper that follows this policy is being assigned and will remind them of the grading policy.

Tutoring is offered after school by *appointment* on Mondays or Wednesdays from 3:15 – 4:15.

HONOR CODE:

I expect every student to conduct themselves honorably. I WILL NOT TOLERATE CHEATING, LYING, STEALING OR PLAGIARIZING!

Cheating is attempting to receive academic credit or helping someone else receive credit for work that was not personally done or for knowledge not personally mastered.

Cheating occurs not only when you receive an answer but also when you give an answer. Cheating also occurs when you copy someone else's homework or allow someone else to copy your homework. Examples of cheating include, but are not limited to: deception; the use of talking, signs, or gestures during a quiz or test; copying from another student or allowing another student to copy an individual assignment; passing test or quiz information during a class period or from one class period to members of another class period; submission of pre-written writing assignments at times when such assignments are supposed to be written in class; illegally exceeding the time limits on timed tests, quizzes, or assignments; unauthorized use of study aids, notes, books, data, or other information; computer fraud; sabotaging the projects the projects or experiments of other students.

Plagiarism occurs not only when you turn in someone else's work as your own but also when you turn in a previous assignment done by you for a current assignment. It occurs when you use the ideas or someone else and do not give them credit. Examples include: having a parent or another person write an essay or do a project that is then submitted as your own work; failing to use proper documentation and bibliography. ***Please be aware that it is not acceptable to use quote large portions (i.e. two or more paragraphs) of another's work, even if properly cited.***

Penalties:

THE PENALTY FOR CHEATING OR PLAGIARIZING IS A ZERO FOR THAT ASSIGNMENT OR TEST THAT CANNOT BE DROPPED OR REPLACED, A PHONE CALL TO YOUR PARENT OR GUARDIAN, AND A DISCIPLINE NOTICE SENT TO THE PRINCIPAL.

The purpose of this Honor Code is to communicate with you so that you have a clear understanding of when cheating, plagiarism, lying, stealing occurs and the resulting harsh penalty. If you neither cheat, nor give the appearance of cheating there will be no penalty. Because the circumstances under which cheating, plagiarizing, lying and stealing occurs are clearly spelled out, I do not expect to see any such situations, however, in the unhappy event that such an occurrence arises, there will be no exceptions to enforcing the stated penalty. THE PRESUMPTION IS THAT YOU ARE HONORABLE AND ETHICAL AND WOULD NEVER KNOWINGLY CHEAT.

Grading:

Grading scale

98-100%	A+
90-97%	A
88-89%	B+
80-87%	B
78-79%	C+
70-77%	C
65-69%	D
Below 65%	F

Course Schedule:

Semester 1

UNIT 1 – Basis Economic Concepts	2 weeks
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In this unit, students will:

- be introduced to the economic concepts of scarcity, opportunity cost, and marginal analysis.
- analyze and use the production possibility frontier and circular flow models;
- illustrate and label a production possibilities curve;
- illustrate the concepts of scarcity, choice, cost, and economic growth;
- illustrate the effects of trade on a production possibility graph; and
- participate in a simulation of the circular flow model and use the production possibility frontier to analyze the benefits of voluntary exchanges.

Week 1 – Introduction to Economics

VIDEO: Stossel, *Why Steak Gets to New York with Teaching Tool*, "Invisible Hand Steak Example."

BELL WORK: *Entrepreneurship*: Reading 1, "What is an Entrepreneur?" (2 days)

CLASS WORK/HOMEWORK:

Textbook	Bade: Chapter 1, Getting Started
Mon.	NO SCHOOL
Tues.	NO SCHOOL
Wed.	Introduce syllabus and expectations.
Thurs.	Introduce Capstone Activity Lesson 1, <i>Why Are We a Nation of Couch Potatos?</i>

Fri.	Give lecture on economic way of thinking, using APE Visual 1.1.
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Week 2 – The U.S. and Global Economies

VIDEO: Stossel, *Costs and Benefits of Government Regulation with Teaching Tool*, "Opportunity Costs, Trade-Offs, and Secondary Effects."

BELL WORK: *Entrepreneurship*: Reading 2, "Scarcity: Everyone's Problem is the Entrepreneurs Opportunity" (3 days); Reading 3, "Consumers, Businesses, Entrepreneurs, and Governments Face Opportunity Costs" (2-3 days).

CLASS WORK/HOMEWORK:

Textbook	Bade: Chapter 2, The U.S. and Global Economies
Mon.	Reinforce economic way of thinking, using APE Activity 1, <i>Do You Think Like an Economist?</i>
Tues.	(A) Give lecture on scarcity. (B) Use APE Visual 1.2 to illustrate Production Possibilities Curve. (C) Have the students begin APE Activity 2, <i>Scarcity, Opportunities Cost, and Production Possibilities Curves</i> and complete as homework.
Wed.	(A) Go over APE Activity 2. (B) Discuss the differences between explicit and implicit costs. (C) Have the students complete APE Activity 3, <i>You Don't Have to Spend a Buck to Have a Cost</i> and discuss answers.
Thurs.	(A) Give lecture on how economies deal with scarcity. (B) Have the students complete APE Activity 4, <i>Campus Parking</i> and discuss answers.
Fri.	(A) Give lecture on circular flow of resources, using APE Visual 1.3. (B) Have the students complete APE Activity 5, <i>The Circular Flow of Resources, Goods, Services and Money Payments</i> and go over answers.

Week 3 – The Economic Problem

VIDEO: Stossel, *Do Women Make Less Money?* Use with *Teaching Tool*, "Wage Discrimination."

BELL WORK: *Entrepreneurship*: Reading 4, "Successful Entrepreneurs Make Rational Choices"; Reading 5, "Making Things Entrepreneurs Sell."

CLASS WORK/HOMEWORK:

Textbook	Bade: Chapter 3, The Economic Problem
Mon.	(A) Give lecture on comparative advantage, using APE Visuals 1.4 and 1.5. (B) Have the students complete APE Activity 6, <i>Opportunity Cost and Comparative Advantage</i> during class or as homework.
Tues.	(A) Go over APE Activity 6. (B) Discuss marginal benefits and costs. (C) Have the students complete APE Activity 7, <i>Is the Cost of Doing Anything Worth the Cost of Doing It Well?</i> and discuss answers. (D) Assign APE Activity 8, <i>Thinking in an Economic Way</i> as homework.

Wed.	(A) Go over answers to APE Activity 8. (B) Review for unit test.
Thurs.	Unit 1 test.
Fri. (Half Day)	Discuss research project.

UNIT 2 – The Nature and Function of Product Markets
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3 weeks

In Unit 2, students will:

- learn the assumptions and determinants of supply and demand in order to use models of markets for description, analysis, and prediction;
- understand the significance and role of prices in a market economy;
- use concepts of elasticities of demand and supply to evaluate quantitatively economic situations;
- and evaluate the use of government price controls and the impact of taxes on markets.

Week 4 – Supply and Demand

BELL WORK: *Entrepreneurship*: Reading 6, "Entrepreneurship in Different Economic Systems"; Reading 7, "Entrepreneurship in Our Market System."

CLASS WORK/HOMEWORK:

Textbook	Bade: Chapter 4, Supply and Demand
Mon.	(A) Sell an "A." (B) Use APE Visual 2.1 to illustrate the difference between a change in demand and a change in quantity demanded. (C) Discuss determinants of demand using APE Visual 2.2. (D) Assign APE Activity 9, <i>Demand Curves, Movements Along Demand Curves and Shifts in Demand Curves</i> as homework.
Tues.	(A) Go over APE Activity 9. (B) Have the students complete APE Activity 10, <i>Reasons for Changes in Demand</i> and discuss it. (C) Give a lecture on diminishing marginal utility and illustrate it with a simulation. (D) Assign APE Activity 11, <i>Why is a Demand Curve Downward Sloping?</i> as homework.
Wed.	(A) Go over APE Activity 11. (B) Illustrate the law of supply using push-up simulation. (C) Use APE Visual 2.3 to illustrate the difference between a change in supply and a change in quantity supplied. (D) Use APE Visual 2.4 to discuss determinants of supply. (E) Assign APE Activity 12, <i>Supply Curves, Movements Along Supply Curves and Shifts in Supply Curves</i> as homework.
Thurs.	(A) Go over APE Activity 12.

	(B) Have the students complete APE Activity 13, <i>Reasons for Changes in Supply</i> and discuss the answers.
Fri.	(A) Conduct a demonstration of equilibrium. (B) Use APE Visual 2.5 to show how markets reach equilibrium. (C) Assign APE Activity 14, <i>Equilibrium Price and Equilibrium Quantity</i> as homework.

Week 5 – A Closer Look at Markets

BELL WORK: *Entrepreneurship*: Reading 8, "Entrepreneurial Behavior in Other Settings"; Reading 9, "The Circular Flow Between Consumers and Entrepreneurs."

CLASS WORK/HOMEWORK:

Textbook	Bade: Chapter 5, Elasticities of Demand and Supply; Chapter 6, Efficiency and Fairness of Markets
Mon.	NO SCHOOL
Tues.	(A) Discuss answers to APE Activity 14. (B) Use APE Visual 2.6 to illustrate shifts in supply and demand. (C) Have the students complete APE Activity 15, <i>Shifts in Supply and Demand</i> and discuss it. (D) Assign APE Activity 16 as homework.
Wed.	(A) Go over APE Activity 16. (B) Use APE Visual 2.7 to give a lecture on elasticity of demand. (C) Use APE Visual 2.8 to illustrate how to calculate the elasticity coefficient. (D) Assign APE Activity 17, <i>How Markets Allocate Resources</i> as homework.
Thurs.	(A) Go over APE Activity 17. (B) Have the students complete APE Activity 18, <i>Elasticity: An Introduction</i> and discuss it.
Fri.	(A) Give a lecture on the total revenue test for price elasticity of demand, using APE Visual 2.9. (B) Have the students complete APE Activity 19, <i>Elasticity and Total Revenue</i> and discuss it. (C) Have the students complete APE Activity 20, <i>Applying Elasticity to the Real World</i> and discuss it.

Week 6 – A Closer Look at Decision Makers

VIDEO: Stossel, *Is Making Money Good or Bad?* Use with associated Teaching Tool.

BELL WORK: *Entrepreneurship*: Reading 10, "The Nature of Consumer Demand"; Reading 11, "What Causes Change in Consumer Demand?"

CLASS WORK/HOMEWORK:

Textbook	Bade: Chapter 13, Consumer Choice and Demand; Chapter 14, Production and Cost
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Mon.	(A) Use APE Visual 2.10 to discuss tax incidence. (B) Have the students complete APE Activity 21, <i>Excise Taxes</i> , which covers shifts and elasticity of supply and demand applied to an economic-policy question. (C) Go over APE Activity 21.
Tues.	Conduct a supply and demand simulation such as “A Market in Wheat,” “A Classroom Market for Crude Oil” or “A Silver Market.” These simulations are in other NCEE publications.
Wed.	(A) Use APE Visual 2.11 to illustrate a price ceiling. (B) Use APE Visual 2.12 to illustrate a price floor. (C) Have the students complete APE Activity 22, <i>Maximum and Minimum Price Controls</i> and discuss the answers.
Thurs.	Assign APE Activity 23, <i>Pricing Problems</i> . Have the students work on the activity in class and discuss.
Fri. (Half Day)	Give multiple choice quiz.

UNIT 3 –The Theory of the Firm

5 ½ weeks

In unit 3, students will:

- learn to explain and calculate the value-to-market participants of voluntary exchanges (this will include the concepts of consumer surplus and producer surplus);
- analyze market distortions from taxes, specifically the changes in consumer surplus, producer surplus, and total surplus;
- be introduced to the idea of deadweight loss;
- and evaluate consumer surplus and producer surplus in markets that import or export, and evaluate the deadweight loss from trade restrictions.
- understand a firm’s costs of production and how these costs are shown in the shapes of the cost curves.

Week 7 – Different Types of Market Structures

VIDEO: Stossel, *Poverty and Entrepreneurship* with corresponding *Teaching Tool*.

BELL WORK: *Entrepreneurship*: Reading 12, “Entrepreneurs Supply Goods and Services.”

CLASS WORK/HOMEWORK:

Textbook	Chapter 7, Government Actions in Markets
Mon.	Unit 2 Exam – Two Free Response questions.
Tues.	(A) Give lecture on characteristics of perfect competition, monopolistic competition, oligopoly and monopoly. (B) Have students form groups to complete APE Activity 24, <i>Different Types of Market Structures</i> . (C) Use APE Visual 3.1 to go over APE Activity 24.

Wed.	(A) Provide overview of revenue, fixed costs, variable costs and profits. (B) Use APE Visual 3.2 to show relationship of marginal product to marginal cost and average product to average variable cost. (C) Have the students begin APE Activity 25, <i>Mirror Images: Marginal Product and Marginal Cost</i> and finish it as homework.
Thurs.	(A) Discuss answers to APE Activity 25. (B) Discuss implicit and explicit costs. (C) Use APE Visual 3.3 to show relationships among FC, VC and TC. (D) Use APE Visual 3.4 to show relationships among AFC, AVC, ATC and MC. (E) Use APE Visual 3.4 to explain why MC crosses ATC at the minimum point. This is always true. (F) Assign APE Activity 26, <i>Costs of the Individual Firm</i> as homework.
Fri.	Discuss the answers to APE Activity 26.

Week 8 – An Introduction to Perfect Competition

VIDEO: Stossel, *Wal-Mart, Competition, and Cost Control* with *Teaching Tool* of same name.

BELL WORK: *Entrepreneurship*: Reading 13, "What Causes Entrepreneurs To Change the Quantity of Goods and Services Offered for Sale?"

CLASS WORK/HOMEWORK:

Textbook	Bade: Chapter 8, Taxes; Chapter 9, Global Markets in Action
Mon.	(A) Review costs. (B) Use APE Visual 3.5 to show the perfectly competitive firm and industry in short-run equilibrium. (C) Have the students complete Parts A and B of APE Activity 27, <i>An Introduction to Perfect Competition</i> and discuss answers. (D) Assign the rest of APE Activity 27 as homework.
Tues.	Go over the rest of APE Activity 27. You may want to make visuals of the graphs.
Wed. (Half Day)	Use APE Visual 3.5 again to summarize what the students have learned.
Thurs.	NO SCHOOL
Fri.	NO SCHOOL

FALL BREAK

Week 9 – Perfect Competition

VIDEO: Stossel, *Greed* with *Teaching Tool*, "Exchange and Wealth Creation."

BELL WORK: *Entrepreneurship*: Reading 14, "Entrepreneurs and Equilibrium"; Reading 15, "Entrepreneurs and Changing Prices."

CLASS WORK/HOMEWORK:

Textbook	Bade: Chapter 15, Perfect Competition
Mon.	(A) Use APE Visual 3.6 to illustrate profit, loss and shut down for a perfectly competitive firm. (B) Use APE Visual 3.7 to illustrate a firm in long-run equilibrium. (C) Have the students complete Part A of APE Activity 28, <i>Costs and Competitive Market Supply (Perfect Competition)</i> and discuss the answers.
Tues.	Have the students complete Part B of APE Activity 28 and discuss the answers.
Wed.	(A) Use APE Visuals 3.8 and 3.9 to illustrate how the firm and industry reach long-run equilibrium. This process is critical for a good score on the AP Exam. (B) Have the students complete APE Activity 29, <i>Short-Run and Long-Run Competitive Equilibrium</i> and discuss it.
Thurs.	(A) Explain the differences between long-run and short-run average cost curves. (B) Have the students complete APE Activity 30, <i>Long-Run Average Cost Curves</i> .
Fri. (Half Day)	Discuss APE Activity 30.

Week 10 – Monopolies

VIDEO: Stossel, *Pharmaceutical Prices with Teaching Tool*, "Rent Control."

BELL WORK: *Entrepreneurship*: Reading 16, "Entrepreneurs, Pricing Strategies, and Marketing Goals"; Reading 17, "Sources of Marketing Information for Entrepreneurs."

CLASS WORK/HOMEWORK:

Textbook	Bade: Chapter 16, Monopoly
Mon.	(A) Review perfect competition. (B) Have the students complete APE Activity 31, <i>Graphing Perfect Competition</i> . (C) Have the students draw the graphs in Activity 31 on the board. Drawing graphs for the firm and industry is a critical skill in AP Economics.
Tues.	Give a test on perfect competition.
Wed.	(A) Use APE Visual 3.10 to explain why a monopolist is a price seeker and why $MR < P$. (B) Have the students complete APE Activity 32, <i>Marginal Revenue for an Imperfect Competitor</i> and discuss it.
Thurs.	(A) Use APE Visual 3.11 to explain the monopolist's profit-maximizing price and to compare the output of a monopolist with that of a perfect competitor. (B) Have the students complete APE Activity 33, <i>Pure Monopoly</i> .
Fri.	(A) Discuss the answers to APE Activity 33. (B) Illustrate consumer surplus for a monopolist and for a perfect competitor. (C) Have the students complete APE Activity 34, <i>Monopoly Pricing</i> and discuss the answers.

FALL BREAK

Week 11- Monopolistic Competition

VIDEO: Stossel, *Pharmaceutical Prices with Teaching Tool*, "Pharmaceuticals Price Controls and Availability."

BELL WORK: *Entrepreneurship*: Reading 18, "Entrepreneurs Choose Different Types of Business Organizations":
Reading 19, "Financing the Entrepreneurial Enterprise."

CLASS WORK/HOMEWORK:

Textbook	Bade: Chapter 17, Monopolistic Competition
Mon.	(A) Have the students read APE Activity 35, <i>Let's Play Monopoly</i> and answer the questions. (B) Discuss the answers to APE Activity 35. (C) Give lecture on price discrimination. (D) Assign APE Activity 36, <i>Price Discrimination</i> as homework.
Tues.	(A) Go over answers to APE Activity 36. (B) Give a lecture on regulating monopolies. (C) Assign APE Activity 37, <i>Regulating Monopoly</i> and discuss the answers.
Wed.	(A) Have the students complete APE Activity 38, <i>Monopoly Consultants, Inc.</i> in small groups. (B) Discuss the answers to APE Activity 38. (C) Have the students do APE Activity 39, <i>A Quick Review of Perfect Competition and Monopoly</i> as a quick review of monopoly and perfect competition.
Thurs.	(A) Give a test on monopoly. (B) Assign APE Activity 42, <i>Market Structure and Business Decision Making</i> as homework for next Tuesday.
Fri. (Half Day)	(A) Use APE Visual 3.12 to describe the characteristics of monopolistic competition. (B) Have the students complete APE Activity 40, <i>Monopolistic Competition</i> and discuss the answers.

Week 12 – Oligopolies

VIDEO: Stossel, *Poverty in the U.S.* with associated *Teaching Tool*.

BELL WORK: *Entrepreneurship*: Reading 20, "How Can Entrepreneurs Control Costs?"

CLASS WORK/HOMEWORK:

Textbook	Bade: Chapter 18, Oligopoly
Mon.	(A) Give lecture on game theory. (B) Have the students complete APE Activity 41, <i>Game Theory</i> and discuss the answers. (C) Relate game theory to oligopolistic behavior.
Tues.	Go over the answers to APE Activity 42.
Wed.	Review unit using sample multiple-choice and free-response questions.
Thurs.	Give multiple-choice test.
Fri.	Give free-response test.

UNIT 4 – Factor Markets (including Labor and Capital Markets)

2 ½ weeks

In unit 4, students will:

- learn characteristics of the categories of competition in markets;
- explain and show graphically how production and pricing decisions are made for firms in each of these market structures; and
- analyze how firms behave in the short run, and the long run and evaluate markets for productive and allocative efficiency;
- understand how firms determine the quantity of resources to use and what determines resource supply in competitive markets and imperfectly competitive markets.

Week 13 – Markets for Factors of Production

VIDEO: Stossel, *Underage Bat Boy with Teaching Tool*, “Child Labor Laws.”

BELL WORK: *Entrepreneurship*: Reading 21, “When Should an Entrepreneur Offer More Products for Sale?”; Reading 22, “Cash Flow and the Successful Entrepreneur.”

CLASS WORK/HOMEWORK:

Textbook	Bade: Chapter 19, Markets for Factors of Production
Mon.	(A) Use the circular flow diagram to distinguish factor markets from product markets. (B) Have the students complete APE Activity 43, “As the ‘Circular Flow’ Turns” and discuss the answers. (C) Use APE Visual 4.1 to present a lecture on major ideas in factor markets.
Tues.	(A) Use APE Visual 4.2 to explain how many workers are hired under certain conditions in a firm that is perfectly competitive in the resource and factor markets. (B) Use APE Visual 4.3 to discuss how many workers a firm hires if it is perfectly competitive in the factor market but imperfectly competitive in the product market. (C) Assign APE Activity 44, <i>How Many Workers Should Be Hired?</i> as homework.
Wed.	(A) Go over APE Activity 44. (B) Have the students complete APE Activity 45, <i>The Derived Demand for a Resource</i> , and discuss the answers. (C) Assign APE Activity 46, <i>The Only (Yo-Yo) Game in Town</i> as homework.
Thurs.	(A) Discuss the answers to APE Activity 46. (B) Have the students complete APE Activity 47, <i>Factor Market Pricing</i> .
Fri.	(A) Discuss the answers to APE Activity 47. (B) Review the basic concepts discussed so far.

Week 14 – Economic Inequality

VIDEO: Stossel, *Ted Turner Gives to the U.N.* with *Teaching Tool*, “Investment Versus Giving.”

BELL WORK: *Entrepreneurship*: Reading 23, “How Entrepreneurs Use Credit”; Reading 24, “Entrepreneurs Buy Raw Materials, Tools, and Labor.”

CLASS WORK/HOMEWORK:

Textbook	Bade: Chapter 20, Economic Inequality
Mon.	NO SCHOOL
Tues.	(A) Use APE Visual 4.4 to show how wages are determined in a competitive labor market for both the industry and firm. (B) Use APE Visual 4.5 to show how wages are determined in a monopsonistic labor market. (C) Have the students complete APE Activity 48, <i>How Wages Are Determined in Competitive Labor Markets</i> and discuss it.
Wed.	(A) Have the students complete APE Activity 49, <i>The Effects of Unions on Wages and Employment in Competitive Monopsonistic Labor Markets</i> and discuss it. (B) Assign APE Activity 51, <i>Problems Dealing with Factor Markets</i> for Friday.
Thurs.	(A) Use APE Visual 4.6 to introduce economic rent. (B) Have the students complete APE Activity 50, <i>The Story of Economic Rent: What Do Land, Athletics, and Government Have in Common?</i> and discuss it.
Fri.	Go over APE Activity 51.

Week 15 – Conclusions on Different Market Structures

VIDEO: Stossel, *School Choice* with associated *Teaching Tool*.

BELL WORK: *Entrepreneurship*: Reading 25, "How Entrepreneurs Measure Productivity."

CLASS WORK/HOMEWORK:

Textbook	
Mon.	Review for tests.
Tues.	Give free-response test.
Wed. (Half Day)	Give multiple-choice test.
Thurs.	NO SCHOOL
Fri.	NO SCHOOL

UNIT 5 - Market Failure and the Role of Government

3 weeks

In unit 5, students will:

- analyze external costs and benefits that can occur in markets (private and public solutions to these externalities will be examined);
- understand characteristics of public goods, private goods, and common goods and will consider implications of these characteristics;
- become familiar with the components of government budgets and evaluate tax policies; and

- understand how the distribution of personal income in an economy is measured and discuss issues related to income distribution.

Week 16 – Externalities, Public Goods and Common Resources

VIDEO: Stossel, *Is Sharing Good?* With Teaching Tool, "Economics of Private Property Rights."

BELL WORK: *Entrepreneurship*: Reading 31, "Government and the Entrepreneur."

CLASS WORK/HOMEWORK:

Textbook	Bade: Chapter 10, Externalities; Chapter 11, Public Goods and Common Resources
Mon.	(A) Give lecture on economic role of government, using APE Visual 5.1. (B) Give a lecture on public goods. (C) Have the students complete APE Activity 52, <i>Private or Public? Public Goods and Services</i> and discuss it.
Tues.	(A) Have the students complete APE Activity 53, <i>Private versus Public</i> and discuss it. (B) Discuss externalities, using APE Visuals 5.2 and 5.3.
Wed.	Have the students complete APE Activity 54, <i>Externalities</i> and discuss it.
Thurs.	(A) Describe the Coase Theorem. (B) Have the students complete APE Activity 55, <i>Private or Public? The Coase Theorem</i> and discuss it. (C) Review marginal analysis. (D) Assign APE Activity 56, <i>Economic Efficiency and the Optimum Amount of Pollution Cleanup</i> as homework.
Fri. (Half Day)	Discuss answers to APE Activity 56.

Week 17 – Markets with Private Information

VIDEO: Stossel, *Subsidized Flood Insurance* with Teaching Tool, "Subsidized Flood Insurance."

BELL WORK: *Entrepreneurship*: Reading 32, "Government Policies, the Economy, and the Entrepreneur."

CLASS WORK/HOMEWORK:

Textbook	Bade: Chapter 12, Markets with Private Information
Mon.	(A) Discuss information costs with an emphasis on the importance of marginal analysis in making cost-benefit decisions. (B) Have the students complete APE Activity 57, <i>The Economics of Information</i> and discuss answers. (C) Conduct a lecture and discussion about why markets fail and how government can correct these failures.
Tues.	(A) Use APE Visual 5.4 to discuss why government fails. (B) Have the students work in groups to solve the mysteries in APE Activity 58, <i>Public-Choice Economics</i> .
Wed.	(A) Have the students report on their solutions and discuss them. (B) Discuss progressive, proportional and regressive taxes.

Thurs.	(A) Have the students complete APE Activity 59, <i>What is a Fair Tax?</i> and discuss it. (B) Discuss the equity versus efficiency issue. (C) Discuss how government tax policies affect the distribution of income.
Fri.	(A) Have the students complete APE Activity 60, <i>Who Pays the Income Tax?</i> and discuss it. (B) Review for test.

Week 18 – Review for Finals

VIDEO: Stossel, *Farm Subsidies* with *Teaching Tool*, "Politics, Economies, and Farm Subsidies."

BELL WORK: *Entrepreneurship*: Reading 33, "Changing Economic Conditions Affect Entrepreneurs."

CLASS WORK/HOMEWORK:

Textbook	
Mon.	Give multiple-choice test.
Tues.	Give free-response test.
Wed.	REVIEW FOR FINAL – OR – PRESENT PROJECTS TO THE CLASS
Thurs.	REVIEW FOR FINAL – OR – PRESENT PROJECTS TO THE CLASS
Fri.	REVIEW FOR FINAL – OR – PRESENT PROJECTS TO THE CLASS

Week 19 – Final Exam (Practice AP Exam)

CLASS WORK/HOMEWORK:

Textbook	
Mon.	Practice AP Test – Multiple Choice Section
Tues.	Practice AP Test – DBQ Essay
Wed.	Practice AP Test – Free Response Questions, Parts B & C
Thurs.	
Fri.	

WINTER BREAK

THIS SYLLABUS IS SUBJECT TO CHANGE, IF NECESSARY, AND IS AVAILABLE ON THE TEACHER'S WEBSITE

(Return this portion to class)

AP Microeconomics

Student Name _____ Class _____

Occasionally photos are taken of classroom activities and may be posted on Mrs. Hanson's school web page without any identifying labels indicating specific student names. I _____ give/ _____ do not give my permission to post such pictures of my child on Mrs. Hanson's school web site.

Preferred parent contact information:

Phone number: _____ E-mail: _____

My child will have access to (check all that apply): computer; printer; internet

I give permission for my child to watch the documentaries listed in the syllabus

I give permission for my child to watch the documentaries listed, with the exception of the following: _____

I do not give permission for my child to watch the documentaries listed in the syllabus and understand that alternative assignments will be required instead.

I have read the Honor Code and understand the circumstances under which cheating, plagiarism, lying, and stealing occur and the resulting penalties.

Parent or guardian signature: _____

Printed parent name: _____ Phone # _____

E-mail Address _____

Student signature: _____

Printed student name: _____ Date: _____