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| Advanced Placement Economics- Microeconomics | | | | | | | | | | |
| Description  Economics is a structured and disciplined approach to looking at how society allocates scarce resources with unlimited wants. Microeconomics focuses on a circular model revolving around the firm and the household and how goods, market and capital are allocated. This course provides students with the opportunity to gain a solid foundation of business practices which will prepare them for further college studies, the AP exam and provide them with the skills they need to be an informed citizen.  AP Microeconomics is intended for 10th, 11th and 12th grade students with academic discipline and abilities appropriate to an AP level course. | | | | | | | | | | |
| Course Overview | | | | | | | | | | |
| Course Goals  Students will be able to:   * Apply basic economic concepts, analytic tools and vocabulary. * Explain how the market system allocates resources. * Analyze government actions in the market context. * Explain how the market determines equilibrium through consumer utility maximization and producer profit maximization. * Describe the graphical representation of the cost structure and demand curves of individual firms in each market structure. * Recommend and describe appropriate government policy in response to various economic scenarios. * Describe the graphical representation of the mechanisms determining market equilibrium in a factor market. | | | | Essential Questions   * How do we as an economy decide what to produce, who produces it and how do we distribute these goods and services? * What market mechanisms determine equilibrium quantity and price? * How do producers maximize profits in each of the different market structures? * How does producer profit maximization determine efficiency of resource allocation? * What is the role of government?  How do factor markets determine equilibrium price and quantity? | | | Assessments  *Common Assessments*   * Cumulative Project * Final cumulative examination   *Skill Assessments*   * Unit based assessments in AP Economics workbooks. * Free Response Questions from AP Central * AP Central released multiple choice questions * Practice AP Problems | | | |
| Content Outline   1. [Unit 1](#UnitI) - Basic Economic Concepts 2. [Unit 2](#UnitII) – Supply and Demand 3. [Unit 3](#UnitIII) – Structure of Firm 4. [Unit 4](#UnitIV) – Role of Government 5. [Unit 5](#UnitV) – Factor Markets | | | | Standards  State of Connecticut Business and Finance Technology Education Frameworks for Economics   * Content Standard 1: Scarce Resources   The decision making process of the allocation of scarce resources.   * Content Standard 2: Economic Systems Basic features of different economic systems. * Content Standard 3: Economic Institutions Economic institutions and incentives in the U.S. economy. * Content Standard 4: Markets and Prices U.S. and global markets and prices. * Content Standard 5: Market Structures Market structures in the U.S. economy. * Content Standard 6: U.S. Government The role of the U.S. government in an economic system.   National Business Education Association (NBEA) Standards  National Business Education Standards are met in the following areas:  Economics   1. Allocation of Resources Achievement Standard: assess opportunity costs and trade-offs involved in making choices about how to use scarce economic resources. 2. Economic Systems Achievement Standard: explain why societies develop economic systems, identify the basic features of different economic systems, and analyze the major features of the U.S. economic system. 3. Markets and Prices Achievement Standard: analyze the role of markets and prices in the U.S. economy. 4. Market Structures Achievement Standard: analyze the different types of market structures and the effect they have on the price and the quality of the goods and services produced. 5. Productivity Achievement Standard: explain the importance of productivity and analyze how specialization, division of labor, investment in physical and human capital, and technological change affect productivity. 6. The Role of Government Achievement Standard: analyze the role of government in economic systems, especially the role of government in the U.S. economy. | | | Grade Level Skills  Students will:   * Graphically depict basic economic concepts. * Understand the roles of the consumer and suppliers in our competitive market place. * Use Supply and Demand graphs to analyze various economic situations. * Differentiate between the 4 different market structures. * Explain the role our government has in our market economy and the tools they use to correct market failures. * Explain and graphically depict the impact resource markets have on product markets. | | | |
| Pacing Guide | | | | | | | | |
| 1st Marking Period | | | | 2nd Marking Period | | | | |
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| Unit 1  Basic Economic Concepts  4 weeks | Unit 2  Supply and Demand  3 weeks | Unit 3  Structure of Firm  5 weeks | | | Unit 4  Role of Government  3 weeks | | Unit 5  Factor Markets  4 weeks | Unit 6  7 weeks | | |

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| **Unit** **1 – Basic Economic Concepts, 4 week**s [**top**](#_top) | | | |
| State of Connecticut Business and Finance Technology Education Frameworks for Economics   * Content Standard 1: Scarce Resources   The decision making process of the allocation of scarce resources.   * Content Standard 2: Economic Systems:   Basic features of different economic systems.  NBEA Standards  Economics   1. Allocation of Resources Achievement Standard: assess opportunity costs and trade-offs involved in making choices about how to use scarce economic resources.   Level 3 Performance Expectations   * explain the concept of marginialism as it applies to producers and consumers  1. Economic Systems Achievement Standard: explain why societies develop economic systems, identify the basic features of different economic systems, and analyze the major features of the U.S. economic system.   Level 3-4 Performance Expectations   * analyze existing economies and how they answer the three questions every economic system must answer * analyze how economic systems, resources, and culture affect each other | | | |
| **Unit 1 Objectives**  Students will be able to:   * Apply basic economic concepts, analytic tools and vocabulary. * Explain how the market system allocates resources. * Analyze government actions in the market context. * Determine how specialization and exchange increase the total output of goods and services. * Differentiate between absolute and comparative advantage and how they impact trade decisions   . | **Essential Question**   * How do we as an economy decide what to produce, who produces it and how do we distribute these goods and services?   **Focus Questions**   * How does the market apply scarce resources to meet wants? * How are economic policy decisions made? * How does society achieve allocative and productive efficiency? * What are the benefits of trade? | | **Assessment**   * Class Activities on scarcity, opportunity cost, the production possibilities frontier and marginal cost decisions. |
| **Skill Objectives**  Students will:   * Express marginal quantities in charts. * Calculate marginal and average values from tables. * Graphically analyze the production possibilities frontier. * Apply circular flow model. * Use graphical narrative for finding equilibrium in an individual market. * Graphically analyze producer, consumer surpluses and deadweight loss. | | | |
| **Technology Resources**   * Computer * Projector or Interactive Whiteboard | | **Suggested Materials/Resources**   * AP Economics textbook * Computer with Internet Access | |

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| **Unit** **2 – Supply and Demand, 3 weeks** [**top**](#_top) | | | |
| State of Connecticut Business and Finance Technology Education Frameworks for Economics   * Content Standard 2: Economic Systems Basic features of different economic systems. * Content Standard 4: Markets and Prices U.S. and global markets and prices.   NBEA Standards  Economics   1. Markets and Prices Achievement Standard: analyze the role of markets and prices in the U.S. economy.   Level 3 Performance Expectations   * analyze the relationship of relative price to scarcity when prices are set by the market forces of supply and demand * identify determinants of supply and demand * demonstrate an understanding of the supply and demand curves that show increases and decreases in quantity supplied and quantity demanded * demonstrate an understanding of the supply and demand curves when there are increases and decreases in supply and demand and explain why these changes occur * illustrate how a change in price affects quantity demanded or quantity supplied   Level 4 Performance Expectations   * calculate the elasticity coefficient for price changes of various goods and services  1. Productivity Achievement Standard: explain the importance of productivity and analyze how specialization, division of labor, investment in physical and human capital, and technological change affect productivity.   Level 3-4 Performance Expectations   * explain the principle of diminishing returns and illustrate how it relates to productivity * explain the law of profit maximization (i.e., marginal cost equals marginal revenue) * distinguish between short-run average costs and long-run average costs | | | |
| **Unit 2 Objectives**  Students will be able to:   * Explain how the market determines equilibrium through consumer utility maximization and producer profit maximization. * Graphically demonstrate equilibrium and differentiate between change in demand/supply and changes in quantity demanded/supplied. * Understand the impact time has on decisions of consumers and producers. | **Essential Question**   * What market mechanisms determine equilibrium quantity and price?   **Focus Questions**   * How does quantity demanded respond to price? * How do consumers maximize utility? * What determines the quantity produced at any given price? * How does the market structure change from short to long run? | | **Assessment**   * Graphing FRQ’s |
| **Skill Objective**  Students will:   * Describe the graphical representation of elasticity and total revenue. * Analyze shifts in supply and demand shifts with different elasticity. * Portray marginal utility choices with graphs and tables. * Depict cost structures graphically. * Use formulas and graphs to analyze marginal costs and average costs. * Draw long run cost curve. * Calculate elasticities. | | | |
| **Technology Resources**   * Computer * Projector or Interactive Whiteboard | | **Suggested Materials/Resources**   * AP Economics textbook * Computer with Internet Access | |

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| **Unit 3** **– Structure of the Firm, 5 weeks** [**top**](#_top) | | | |
| State of Connecticut Business and Finance Technology Education Frameworks for Economics   * Content Standard 5: Market Structures Market structures in the U.S. economy.   NBEA Standards  Economics   1. Market Structures Achievement Standard: analyze the different types of market structures and the effect they have on the price and the quality of the goods and services produced.   Level 3 Performance Expectations   * describe the characteristics of an oligopoly and identify examples in the current market * describe the characteristics of monopolistic competition and identify examples n the current market * describe how collusion affects market competition * discuss the major barriers to new firms entering a market and how the barriers affect the level of competition in an industry * examine U.S. laws and government regulations that are designed to impact competition   Level 4 Performance Expectations   * analyze a business to determine its monopoly power * compare and contrast the different types of market structures | | | |
| **Unit Objectives**  Students will be able to:   * Describe the graphical representation of the cost structure and demand curves of individual firms in each market structure. * Differentiate between the 4 types of market structures and understand the characteristics of each type of firm. | **Essential Question**   * How do producers maximize profits in each of the different market structures? * How does producer profit maximization determine efficiency of resource allocation?   **Focus Questions**   * What are the characteristics of each type of market structure? * How does perfect competition produce efficient resource allocation? * How do monopoly, oligopoly and monopolistic competition underallocate resources? * What are the strategies of the oligopolist? * What are the motivations to innovate within each market structure? | | **Assessment**   * Graphing the cost curves in the 4 market structures activity. |
| **Skill Objectives**  Students will:   * graph the profit maximization strategy of each market structure. * apply game theory to oligopolist decision making. * explain why the marginal revenue curve is located below the demand curve for monopolists and monopolistic competitor. * determine levels of investment based on expected rates of returns and the costs of funds. | | | |
| **Technology Resources**   * Computer * Projector or Interactive Whiteboard | | **Suggested Materials/Resources**   * AP Economics textbook * Computer with Internet Access | |

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| **Unit** **4 – Role of Government, 3 weeks** [**top**](#_top) | | | |
| State of Connecticut Business and Finance Technology Education Frameworks for Economics   * Content Standard 3: Economic Institutions Economic institutions and incentives in the U.S. economy. * Content Standard 6: U.S. Government The role of the U.S. government in an economic system.   NBEA Standards  Economics   1. Markets and Prices Achievement Standard: analyze the role of markets and prices in the U.S. economy.   Level 4 Performance Expectations   * calculate the elasticity coefficient for price changes of various goods and services  1. Market Structures Achievement Standard: analyze the different types of market structures and the effect they have on the price and the quality of the goods and services produced.   Level 4 Performance Expectations   * give examples of positive and negative externalities (e.g., spillover costs) and analyze the government’s role in correcting market failures (e.g., tax policies, subsides, and regulations)  1. The Role of Government Achievement Standard: analyze the role of government in economic systems, especially the role of government in the U.S. economy.   Level 3 Performance Expectations   * evaluate the equity of taxes based on income, wealth, and consumption * explain how government’s redistribution of income through taxation, spending, and assistance/entitlement programs affects the well-being of people and businesses in an economy   Level 4 Performance Expectations   * analyze how taxes serve as an incentive or disincentive to individuals and institutions | | | |
| **Unit Objectives**  Students will be able to:   * Recommend and describe appropriate government policy in response to various economic scenarios. * Graphically demonstrate externalities and market failures. | **Essential Question**   * What is the role of government?   **Focus Questions**   * How does market failure misallocate resources? * What goods should the government provide? * How can the government respond to externalities? * How should the government respond to distribution of income? * What is the government’s role in managing trade? | | **Assessment**   * Prisoners Dilemma |
| **Skill Objective**  Students will:   * Create and describe the circular flow diagram with the government included. * Describe income inequality through Lorenz Curve. * Analyze marginal benefits and marginal costs for public goods. * Graphically depict the impact of government policies in a product market. * Graphically represent and analyze tax incidence and efficiency loss. | | | |
| **Technology Resources**   * Computer * Projector or Interactive Whiteboard | | **Suggested Materials/Resources**   * AP Economics textbook * Computer with Internet Access | |

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| **Unit 5** **– Factor Markets, 4 weeks** [**top**](#_top) | | | |
| State of Connecticut Business and Finance Technology Education Frameworks for Economics   * Content Standard 4: Markets and Prices U.S. and global markets and prices.   NBEA Standards  Economics   1. Allocation of Resources Achievement Standard: assess opportunity costs and trade-offs involved in making choices about how to use scarce economic resources.   Level 3 Performance Expectations   * evaluate the trade-offs of alternatives for solving societal problems according to economic goals (e.g., economic growth, equity, efficiency, security, employment, stability, and freedom)  1. Economic Systems Achievement Standard: explain why societies develop economic systems, identify the basic features of different economic systems, and analyze the major features of the U.S. economic system.   Level 3-4 Performance Expectations   * analyze how wages and prices are determined in command and market economies | | | |
| **Unit Objectives**  Students will be able to:   * Describe the graphical representation of the mechanisms determining market equilibrium in a factor market. * Understand and explain the impact of the resource(factor) markets on the product markets. * Differentiate between the different structures of factor markets. | **Essential Question** How do factor markets determine equilibrium price and quantity? **Focus Questions**   * How does the individual producer determine the quantity of each factor to purchase? * How does the labor market differ from other markets? * Why is rent a surplus payment? * What determines interest rates? * How is the entrepreneur compensated? | | **Assessment**   * Resource market graphing activity |
| **Skill Objectives**  Students will:   * Use tables to analyze and to select optimal resource allocations. * Use supply and demand analysis and MRP/MRC analysis in factor markets. * Graphically depict supply of land. * Analyze the loanable funds market graph | | | |
| **Technology Resources**   * Computer * Projector or Interactive Whiteboard | | **Suggested Materials/Resources**   * AP Economics textbook * Computer with Internet Access | |