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| Advanced Placement Economics- Macroeconomics |
| Description  Macroeconomics focuses on the economic system as a whole. We will look at major economic indicators such as gross domestic product, inflation and unemployment as well as other forces that affect the entire economy. Other topics covered include inflation, unemployment and international policy.Macroeconomics 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 * Apply basic economic concepts, analytic tools and vocabulary to market situations.
* Explain how the market system allocates resources.
* Analyze the effects of the business cycle as measured by national account calculations.
* Apply the AD/AS model to describe and graphically represent the impact of changes in income and expenditures.
* Recommend and describe the proper fiscal or monetary policy to address specific economic issues.
* Depict and describe the evolution of economies from short run to long run equilibrium.
* Analyze and critique trade policies.
 | Essential Questions * What gets produced? Who produces it? Who gets the goods? How does change occur?
* What is the nature of the business cycle?

How do forces of aggregate supply and aggregate demand determine equilibrium GDP and price level?* What determines the government’s use of fiscal policy?

What determines the government’s use of monetary policy?How does an economy achieve long run equilibrium?What are the impacts of opening an economy to trade? | AssessmentsCommon 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
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|  Content Outline 1. [Unit 1](#UnitI) - Basic Economic Concepts, Measures and Economic Performance
2. [Unit 2](#UnitII) – Determination of Macroeconomic Equilibrium
3. [Unit 3](#UnitIII) – Fiscal and Monetary Policy
4. [Unit 4](#UnitIV) – Long Run Economic Perspective and Economic Growth
5. [Unit 5](#UnitV) – International Trade and Finance
 | StandardsState 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) StandardsNational Business Education Standards are met in the following areas:ECONOMICS1. Allocation of ResourcesAchievement Standard: assess opportunity costs and trade-offs involved in making choices about how to use scarce economic resources.
2. Economic SystemsAchievement 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. Economic Institutions and IncentivesAchievement Standard: analyze the role of core economic institutions and incentives in the U.S. economy.
4. ProductivityAchievement Standard: explain the importance of productivity and analyze how specialization, division of labor, investment in physical and human capital, and technological change affect productivity.
5. The Role of GovernmentAchievement Standard: analyze the role of government in economic systems, especially the role of government in the U.S. economy.
6. Global Economic ConceptsAchievement Standard: examine the role of trade, protectionism, and monetary markets in the global economy.
7. Aggregate Supply and Aggregate DemandAchievement Standard: analyze how the U.S. economy functions as a whole and describe selected macroeconomic measures of economic activity.
 | SkillsStudents will* Graphically depict basic economic concepts.
* Determine, explain and understand macroeconomic equilibrium, graphically and verbally.
* Use the AD/AS graph as an economic tool.
* Prescribe the correct fiscal and monetary policy for various situations.
* Determine the difference between long run and short run adjustments in markets.
* Understand the role of the Federal Reserve and our banking system.
* Understand the benefits and importance of international trade.
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| Pacing Guide  |
| 1st Marking Period  | 2nd Marking Period |
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| January | February | March | April | May |

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| Unit 1Basic Economic Concepts, Measures and Economic Performance4 weeks  | Unit 2 Determination of Macroeconomic Equilibrium4 weeks | Unit 3 Fiscal and Monetary Policy6 weeks | Unit 4 Long Run Economic Perspective and Economic Growth 2 weeks | Unit 5 International Trade and Finance3 weeks | Unit 67 weeks |

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| Unit 1 – Basic Economic Concepts, Measures and Economic Performance, 4 weeks  |
| 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.

NBEA StandardsEconomics1. Allocation of ResourcesLevel 3 Performance Expectations
* explain the concept of marginialism as it applies to producers and consumers
* 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)

Level 4 Performance Expectations* suggest what a nation or business should do if economic resources are underutilized
1. Economic SystemsLevel 3-4 Performance Expectations
* analyze existing economies and how they answer the three questions every economic system must answer
1. Global Economic ConceptsLevel 3-4 Performance Expectations
* compare and contrast absolute and comparative advantage
* analyze different countries to determine the comparative advantage of individuals within those countries for making and trading goods and service
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| Unit 1 ObjectivesStudents will * Apply basic economic concepts, analytic tools and vocabulary.
* Explain how the market system allocates resources.
* Analyze the effects of the business cycle as measured by national account calculations

. | Essential Question* What gets produced? Who produces it? Who gets the goods? How does change occur?
* What is the nature of the business cycle?

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?
* How does the market find equilibrium?
* How do we measure the performance of the economy?
* What are the economic costs of inflation and unemployment?
 | Assessment* Class Activities on opportunity cost, Production Possibilities Frontier and the business cycle.
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| Skill ObjectivesStudents will:* Draw and explain the production possibilities frontier.
* Use graphical narrative for finding equilibrium in an individual market.
* Calculate comparative advantage ratios.
* Graphically analyze producer, consumer surpluses and deadweight loss.
* Use the price index to determine Real GDP.
* Define and measure unemployment (unemployment rate) and inflation.
* Calculate and interpret components of national accounts.
* Calculate and interpret real GDP through use of price index.
* Depict business cycles graphically.
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| Technology Resources * Computer
* Projector or Interactive whiteboard
 | Suggested Materials/Resources * AP Economics textbook
* Computer with Internet Access
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| Unit 2 – Determination of Macroeconomic Equilibrium 4 weeks  |
| 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 4: Markets and Prices U.S. and global markets and prices.

NBEA StandardsEconomics1. Economic Institutions and IncentivesLevel 3-4 Performance Expectations
* provide illustrations of how the market system requires a give-and-take between institutions and individuals
1. The Role of GovernmentLevel 3 Performance Expectations
* investigate the effects of government actions and economic conditions on personal financial planning
1. Aggregate Supply and Aggregate DemandLevel 3 Performance Expectations
* analyze the causes and effects of demand-pull and cost-push inflation
* calculate the real interest rate (nominal minus rate of inflation)

Level 4 Performance Expectations* analyze the relationship of different components of GDP (C + I + G + X - M)
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| Unit 2 ObjectivesStudents will * Apply the AD/AS model to describe and graphically represent the impact of changes in income and expenditures.
 | Essential QuestionHow do forces of aggregate supply and aggregate demand determine equilibrium GDP and price level?Focus Questions * What is the economic impact of consumer’s marginal decisions to save or spend?
* How do producers determine their level of investment?
* What is the relationship between the level of saving and investment?
* How does government spending affect GDP?
* What are the effects of trade on GDP?
* How does the AD/AS model demonstrate various economic scenarios?
 | Assessment* AD/AS Graphing FRQ’s
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| Skill ObjectiveStudents will* Calculate and interpret APC, APS, MPC, MPS.
* Describe and graphically represent Investment demand decisions.
* Calculate the spending multiplier and use it to analyze changes in GDP.
* Depict equilibrium GDP.
* Demonstrate the effects of trade.
* Graphically depict changes in the components of AD.
* Describe and graphically represent the relationship of SRAS to LRAS.
* Analyze changes in aggregate demand and supply and determine the impact on price levels and GDP.
* Show the evolution of demand pull and cost push inflation on an AD/AS graph.
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| Technology Resources * Computer
* Projector or Interactive whiteboard
 | Suggested Materials/Resources * AP Economics textbook
* Computer with Internet Access
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| Unit 3 – Fiscal and Monetary Policy, 6 weeks |
| State of Connecticut Business and Finance Technology Education Frameworks for Economics* 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

NBEA StandardsEconomics1. Economic Institutions and IncentivesLevel 3-4 Performance Expectations
* explain how specific financial and nonfinancial incentives influence economic behavior of individuals in different ways
* identify major functions of the public sector in a market economy
* analyze ways in which a society’s allocation of resources will be affected by its laws, public policy, and taxation
1. The Role of GovernmentLevel 3 Performance Expectations
* define and give examples of progressive, regressive, and proportional taxes and their effect on specific income groups
* give examples of taxes based on the principles of benefits received and ability to pay
* 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
* identify fiscal policies used by the federal government to regulate the economy

Level 4 Performance Expectations* analyze how taxes serve as an incentive or disincentive to individuals and institutions
* identify and evaluate how stabilizers (e.g., unemployment compensation, welfare benefits, Social Security, subsidies, and tax rates) affect economies in transition
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| Unit ObjectivesStudents will* Recommend and describe fiscal and monetary policy to address specific economic issues.
* Graphically depict fiscal and monetary policies on graph.
* Recommend easy or tight monetary policy to address certain economic situations.
* Understand Open Market operations.

  | Essential Question* What determines the government’s use of fiscal policy?

What determines the government’s use of monetary policy?Focus Questions * What is fiscal policy?
* When is fiscal policy used?
* What are the limitations of fiscal policy?
* What constitutes the money supply?
* How is equilibrium determined in the money market?
* How is equilibrium determined in the loanable funds market?
* What is the role of the Federal Reserve?
* What is monetary policy?
* When is monetary policy used?
* What are the limitations of monetary policy?
 | Assessment* Released AP FRQ’s on fiscal and monetary policy.
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| Skill ObjectivesStudents will:* Describe and graph the economic impact of fiscal policy.
* Determine the effects of fiscal policy on GDP and employment levels.
* Graphically represent the multiplier effect and resulting shifts in AD/AS.
* Describe the graphical representation of built-in stabilizers.
* Describe and graph the economic impact of fiscal policy.
* Determine the effects of fiscal policy on GDP and employment levels.
* Describe the graphical representation of transaction demand, asset demand, and total demand for money.
* Calculate interest yield on bonds.
* Use T-accounts to demonstrate the impact of changes to the money supply.
* Describe the impact of easy money and tight money policies on net exports.
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| Technology Resources * Computer
* Projector or Interactive whiteboard
 | Suggested Materials/Resources * AP Economics textbook
* Computer with Internet Access
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| Unit 4 – Long Run Economic Perspective and Economic Growth , 2 weeks  |
| State of Connecticut Business and Finance Technology Education Frameworks for Economics* Content Standard 6: U.S. Government The role of the U.S. government in an economic system.

NBEA StandardsEconomics1. Productivity

Level 3-4 Performance Expectations* assess opportunity costs and economic risks involved when investing in physical and human capital to increase productivity
* discuss the effects of government expenditures, regulations, and tax policies on productivity
* explain how investment in research and development affects productivity
1. The Role of GovernmentLevel 3 Performance Expectations
* analyze the effect of national debt or surplus on the economy

 Level 4 Performance Expectations* analyze the effect of the federal deficit on the economy
* analyze short- and long-term effects of deficit spending
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| Unit ObjectivesStudents will * Depict and describe the evolution of economies from short run to long run equilibrium and show on graphs.
* Understand and graphically depict the Phillips curve in short run and long run.
 | Essential QuestionHow does an economy achieve long run equilibrium?Focus Questions * What is the relationship amongst short run aggregate supply, long run aggregate supply and full employment GDP?
* What is the relationship between inflation and unemployment?
* How do economies grow?
* How does policy affect the growth of the economy?
 | Assessment* Graphing activities
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| Skill ObjectiveStudents will* Distinguish between the long run and short run using AD/AS analysis.
* Describe the graphical representation of demand pull inflation in the long run using AD/AS graph.
* Describe the graphical representation of cost push inflation and recession in the long run using AD/AS graph.
* Use the Phillips Curve to describe the tradeoff between unemployment and inflation.
* Distinguish between the long run and short run Phillips curve.
* Graphically depict economic growth using the production possibilities curve.
* Analyze issues related to public debt in US.
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| Technology Resources * Computer
* Projector or Interactive whiteboard
 | Suggested Materials/Resources * AP Economics textbook
* Computer with Internet Access
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| Unit 5 – International Trade and Finance, 3 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.

Economics1. Global Economic ConceptsLevel 3-4 Performance Expectations
* determine how the supply and demand of a currency affects its foreign exchange rate
* differentiate between currency appreci­ation and currency depreciation
* analyze how a change in the value of a nation’s currency (appreciation or depreciation) can affect the level of its imports and exports
* compare and contrast absolute and comparative advantage
* discuss the advantages and disadvantages and distributive effects of trade restrictions (e.g., tariffs, quotas, and embargoes)
* distinguish between the balance of trade and the balance of payments
* evaluate the impact of international economic unions on the global commu­nity and the influence these unions have on the member nations and on different groups within those nations
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| Unit ObjectivesStudents will * Analyze and critique trade policies.
 | Essential QuestionWhat are the impacts of opening an economy to trade?Focus Questions * How do we quantify the opportunities of trade?
* How do we depict the impact of trade on the domestic product market using supply and demand analysis?
* What are barriers to trade and their impact on equilibrium price and quantity?
* What are the advantages and disadvantages of various trade policies?
* How do countries finance trade?
* What international policies have been applied to manage exchange rates?
 | Assessment* Resource market graphing activity
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| Skill ObjectivesStudents will* Describe the graphical representation of comparative/absolute advantage and trading possibilities line.
* Calculate opportunity cost and terms of trade based on comparative advantage.
* Draw and apply export and import demand and supply curves.
* Use graphical analysis to determine world price of goods.
* Graphical depict the impact of trade barriers on a product market.
* Calculate the balance of payments, the current account balance, and the capital account balance.
* Describe the graphical representation of events in foreign currency markets
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| Technology Resources * Computer
* Projector or Interactive whiteboard
 | Suggested Materials/Resources * AP Economics textbook
* Computer with Internet Access
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