**AP Microeconomics**

*2018-2019*

Ms. J. Yeomans Room D10

**Objective**

The purpose of an AP course in 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.

In this course, we will explore the choices people make at the individual, group, corporate and government levels. To do this we will examine the various factors that influence those choices. Students will be expected to understand key economic concepts, be able to actively apply those concepts to real world experiences and at the end, understand the vital role economics plays in explaining crucial world and individual issues. The course is intended to provide a learning experience equivalent to that of a typical college introductory microeconomics course. This class satisfies the economics requirement for graduation.

**Class Blog**

The class blog can be accessed at <http://www.yeomansecon.com>. It contains all our notes, a pacing guide, links to our vocabulary quizlets and more.

**Textbook**

The textbook used in this course is *Krugman’s Economics for AP* by Margaret Ray and David Anderson. We utilize the online textbook though a hard copy can be checked out as well. The link to the online textbook is available via the blog along with login information.

# Digital Classrooms

# Some assignments will be completed via the online textbook site or the <http://www.schoology.com> class site.

# Class Pacing Guide

A pacing guide for the course is included on the class blog.

# Tutoring

I will be available weekly each Wednesday from 3:45 – 4:45 pm for tutoring after school.

**Text Reminders**

To sign up for text reminders, text @yeoapecosp to 81010.

**End of Course Test (EOCT)**

The EOCT/Milestone is a required component of all Economics courses offered in the state of Georgia. It will be administered **May 2019** andrepresents 20% of your grade.

**Late and Makeup work**

*Makeup work* (absent from class): Students with an excused absence note will have the same number of days to make up the work as they are absent to earn full credit.  For example, if you are absent 3 days, you have 3 days to make up your work. Work turned in after that will be marked as late. The work will be entered as a “0” in the gradebook until made up.

*Late Work* (student was in class but work was not turned in): Late work turned in before completion of the unit will receive a grade of 70%.  Any late work turned in after the unit’s completion will receive a grade of 50%.

# Course Evaluation

A percentage system will be used in this course. The grading scale is as follows per Cobb County grading system:

A 90 or higher

B 80 – 89

C 74 – 79

D 70 – 73

F 69 or below

Grades will be weighted as follows:

Daily work (homework, classwork, quizzes) 45%

Exams 35%

End of Course Test 20%

Students will be assessed in the following ways: vocabulary, daily problem sets, review questions, periodic content and graphing pop quizzes, major unit tests, out-of-class projects, an end of course test. **Since this is a college level course we will be taking lots of notes in class.** Due to the cumulative nature of the class, the teacher reserves the right to ask test questions pertaining to material covered in previous units.

**Unit tests are part FRQ and part multiple-choice**. For major units, tests ***may*** be given over two days. The first day will be multiple-choice; the second day is free response. All work will contribute to the overall course grade.

Late work will **not** be accepted unless you are absent (excused). Unexcused absences will result in a zero (0) for all work. It is ***YOUR*** responsibility to check for missed work and to make arrangements to make up any missed tests or quizzes. Long-term assignments must be turned in on the due date.

**Academic Honesty**: **Cheating in any form will not be tolerated (copying another’s answers, turning in someone else’s work, allowing someone to copy your work)**. Cheating will be dealt with as per the student handbook and the school’s honor code. If caught cheating, the student will receive a grade of 0 on the assignment, the parent(s) will be notified, a U in conduct will be awarded for the semester, and the administration could be notified.

**Keys to Success**

* Read assigned material before notes are given in class.
* When in class **pay attention and focus**. Don’t let other issues distract you from getting the maximum return on learning. In other words, have your notebooks open as soon as you enter class and review previous material.
* Take notes in class. Take notes on overall context so you understand what is being emphasized.
* **Each day review the notes form class that day**. Spend 15 minutes each day reviewing and **write questions on what is confusing or needs clarification**. Ask your questions at the start of class the next day.
* **Practice, Practice, Practice**. Much of what we do in this class resembles a math class more than a traditional social studies class like World or American History. There will be multiple practice opportunities in class. Draw the graphs over and over again and be able to obtain the required information from them in your sleep.
* Seek Help Early. As noted, the material in this class is cumulative. New material builds on previous concepts. You need to master the current ideas before we move on to new ones.

# Expectations

You are here to learn. Everything else that we do is secondary to that goal. Behavior that distracts from achieving that goal will not be tolerated. Due to the shortened length of time this class will meet this semester, it is *crucial* that everyone be on time each day and prepared for class. Therefore, the following rules will apply:

1. Be on time every day – this means in your seat when the bell rings. The doorway does not count.
2. No sleeping in class.
3. Show respect for everyone in class. Disrespect for fellow students or instructors will ***not*** be tolerated. I expect your behavior to be exemplary always and especially when there is a guest, administrator, substitutes and or teachers in our room.
4. No individual off topic discussions in class.

**AP Exam**

An AP course is equitable to a course taught at any college or university. AP courses are much more rigorous than high school college prep courses. In all AP courses, students learn how to think critically and write clearly. ***The Microeconomics AP Exam will be administered Friday, May 17, 2019 at the 8AM session.***

**Students will be asked to decide if they plan to take the exam no late than February 2019.**

The AP Exam is given in two components: a multiple choice section and a free response section. The break down between the two is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **% of Grade** | **Number of Questions** | **Time Allotted** | **Reading Period** |
| **Section I** | 66 2/3 | 60 | 70 minutes |  |
| **Section II** | 33 1/3 | 3 required | 50 minutes | 10 minutes |

The major content areas covered by the AP Microeconomics Exam are basic economic concepts, the nature and functions of product markets, factor markets, and market failure and the role of government. The following table reflects the approximate percentage of the multiple-choice section of the exam devoted to each content area:

|  |  |
| --- | --- |
| 8 – 14% | Economic Concepts |
| 50 – 70% | Nature and functions of product markets |
| 10 – 18% | Factor markets |
| 12 – 18% | Market failure and the role of government |

The free-response questions on the exam generally ask students to analyze a given economic situation and present and evaluate general macroeconomic principles. Students are expected to write well-organized and analytical essays and to include explanatory diagrams that clarify their analysis. Questions may require students to interpret graphs or to draw their own graphs as part of their answers. All graphs should be clearly labeled. Generally, the longer essay (50 percent of the free-response score) requires students to interrelate several content areas, while the two shorter essays (together, 50 percent of the free-response score) typically focus on a specific topic in a given content area.

**Course Outline**

The course outline will follow the guidelines and topics as required by the College Board in preparation for the AP Exam, Skills emphasized will be problem solving, graphing, essay/explanatory writing and real world application.

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

4. Oligopoly

a. Interdependence, collusion, and cartels

b. Game theory and strategic behavior

5. Monopolistic competition

a. Product differentiation and role of advertising

b. Profit maximization

c. Short-run and long-run equilibrium

d. Excess capacity and inefficiency

III. Factor Markets

A. Derived factor demand

B. Marginal revenue product

C. Labor market and firms’ hiring of labor

D. Market distribution of income

IV. Market Failure and the Role of Government

A. Externalities

1. Marginal social benefit and marginal social cost

2. Positive externalities

3. Negative externalities

4. Remedies

B. Public goods

1. Public versus private goods

2. Provision of public goods

C. Public policy to promote competition

1. Antitrust policy

2. Regulation

D. Income distribution

1. Equity

2. Sources of income inequality