

AP Macroeconomics [www.iaapush.org/AP Macroeconomics.htm](http://www.iaapush.org/AP%20Macroeconomics.htm)

Los Amigos High School Syllabus

Instructor: Mr. Hawley

Description

A.P. Macroeconomics is a college level class for high school students. Students receive college credit upon passing the A.P. exam. The student workload is greater than that required in regular high school economics classes. It explores resource allocation from the perspective of the whole economy.

Themes

1. Graphs as models of aggregate economic activity
 - Students will graph and create a written analysis for a variety of macroeconomic situations.
 - These graphs will include the PPC, short-run and long-run aggregate supply and aggregate demand, money market, loanable funds market, foreign exchange market, and Phillips curve.
2. Utilization of resources within and across countries
 - Students will graph and analyze problems in specialization, comparative advantage, and international trade.
3. The critical evaluation of determinants of economic progress
 - Students will calculate and assess a variety of problems in national income accounting, productivity, and growth.
4. The significance of economic decisions made by policymakers
 - Students will graph and analyze the likely outcomes of various monetary and fiscal policies.

Textbook

Mankiw, N. Gregory. Principles of Economics 4th ed. Mason, Ohio: Thompson Southwestern, 2007

Workbook

Morton, John. Advanced Placement Economics Macroeconomics Student Activities 3rd ed. New York: National Council on Economic Education, 2003.

Additional Readings

Musgrave, Frank and Elia Kacapyr. How to Study for the Microeconomics-Macroeconomics Advanced Placement Examinations 2nd ed. New York: Barron's Educational Series Inc., 2005

Unit 1: Basic Economics Concepts

1. Scarcity, choice, and opportunity costs
2. Production possibilities curve
3. Comparative advantage, absolute advantage, specialization, and exchange
4. Demand, supply, and market equilibrium
5. Macroeconomic issues: business cycle, unemployment, inflation, growth

Graphing

1. Production Possibilities Curve
2. Supply and Demand Curve Graphs

Reading

1. Principles of Economics
 - a. Chapter 1, Ten Principles of Economics, p3-17
 - b. Chapter 2, Thinking Like an Economist, p19-46
 - c. Chapter 3, Interdependence and Gains from Trade, p47-60
 - d. Chapter 4, The Market Forces of Supply and Demand, p63-87
2. Heilbroner, “The pin factory” from the Wealth of Nations, p75-82

Assignments

Morton, Activities 1-8

Videos

“Economics U\$A: Resources and Scarcity: What is Economics All About”

Unit 2: Measurement of Economic Performance and Growth

1. National income accounts
 - a. Circular flow
 - b. Gross domestic product
 - c. Components of gross domestic product
 - d. Real versus nominal gross domestic product
2. Inflation measurement and adjustment
 - a. Price indices

- b. Nominal and real values
- c. Costs of inflation
- 3. Unemployment
 - a. Definition and measurement
 - b. Types of unemployment
 - c. Natural rate of unemployment
- 4. Economic Growth and Productivity
 - a. Investment in human capital
 - b. Investment in physical capital
 - c. Research and development, and technological progress
 - d. Growth policy

Graphing

- 1. The Phases of the Business Cycle
- 2. Production Possibilities Curve

Reading

Principles of Economics

- 1. Chapter 23, Measuring a Nation's Income, p507-527
- 2. Chapter 24, Measuring the Cost of Living, p529-545
- 3. Chapter 28, Unemployment and Its Natural Rate, p613-637
- 4. Chapter 25, Production and Growth, p549-573

Assignments

Morton, Activities 12-17, and 47

Unit 3: Financial Sector

- 1. Money, banking, and financial markets
 - a. Definition of financial assets: money, stocks, bonds
 - b. Time value of money (present and future value)
 - c. Measures of money supply
 - d. Banks and creation of money
 - e. Money demand
 - f. Money market
 - g. Loanable funds market
- 2. Central bank and control of the money supply
 - a. Tools of central bank policy
 - b. Quantity theory of money
 - c. Real versus nominal interest rates

Graphing

1. Money Market
2. Loanable Funds Market
3. Investment Demand Curve

Reading

1. Principles of Economics
 - a. Chapter 26, Savings, Investment, and the Financial System, p575-595
 - b. Chapter 27, The Basic Tools of Finance, p597-612
 - c. Chapter 29, The Monetary System, p641-659
 - d. Chapter 30, Money Growth and Inflation, p661-687

Assignments

Morton, Activities 34-39

Video

“The Federal Reserve”

Unit 4: Open Economy: International Trade and Finance

1. Balance of payments accounts
 - a. Balance of trade
 - b. Current account
 - c. Capital account
2. Foreign exchange market
 - a. Demand for and supply of foreign exchange
 - b. Exchange rate determination
 - c. Currency appreciation and depreciation
3. Net exports and capital flows
4. Links to financial and goods markets

Graphing

1. Production Possibilities Curve
2. Foreign Exchange Market

Reading

Principles of Economics

1. Chapter 31, Open-Economy Macroeconomics: Basic Concepts, p691-713

2. Chapter 32, A Macroeconomic Theory of the Open Economy, p715-735

Assignments

Morton, Activities 49-55

Videos

“The Awful Truth, NAFTA Mike”

Unit 5: National Income and Price Determination

1. Aggregate demand
 - a. Determinants of aggregate demand
 - b. Multiplier and crowding-out effects
2. Aggregate supply
 - a. Short-run and long-run analyses
 - b. Sticky versus flexible wages and prices
 - c. Determinants of aggregate supply
3. Macroeconomic equilibrium
 - a. Real output and price level
 - b. Short and long run
 - c. Actual versus full-employment output
 - d. Economic fluctuations

Graphing

1. The Aggregate Expenditures Model
2. Investment Demand Curve
3. Short-run Aggregate Supply and Aggregate Demand Curve
4. Long-run Aggregate Supply and Aggregate Demand Curve

Reading

Principles of Economics

Chapter 33, Aggregate Supply and Demand, p739-775

Assignments

Morton, Activities 20-29

Unit 6: Inflation, Unemployment, and Stabilization Policies

1. Fiscal and monetary policies
 - a. Demand-side effects
 - b. Supply-side effects

- c. Policy mix
- d. Government deficits and debt
- 2. Inflation and unemployment
 - a. Types of inflation
 - b. Demand-pull inflation
 - c. Cost-push inflation
 - d. The Phillips curve: short run versus long run
 - e. Role of expectations

Graphing

1. Short-run Aggregate Supply and Aggregate Demand Curve
2. Long-run Aggregate Supply and Aggregate Demand Curve
3. Phillips Curve

Reading

Principles of Economics

1. Chapter 34, The Influence of Monetary and Fiscal Policy on Aggregate Demand, p777-799
2. Chapter 35, The Short-run Tradeoff between Inflation and Unemployment, p801-829
3. Chapter 36, Five Debates over Macroeconomic Policy, p833-853

Assignments

Morton, Activities 43-46

Class Expectations

1. **All students are expected to take the A.P. examination in Macroeconomics.**
2. All students are expected to read approximately 1½ chapters in the textbook each week.
3. All students will write essays throughout the class.
4. All students are expected to keep a notebook and take notes for all lectures.
5. All students are expected to make flashcards for all key terms, formulas, and policies.

Classroom Policies

1. Everyone will be treated with respect.
2. No one will disrupt the learning process of others.
3. The school tardy policy will be strictly enforced.
4. **No eating** while you are in the classroom.
5. All students must come prepared to class with the necessary materials.
6. All assignments must be ready to be presented at the **beginning of the period** in which they are due.
7. Following an absence, it is the **student's responsibility** to find out about any assignments that they may have missed. Work not turned in because of truancies or unexcused absences will not be accepted.
8. If work was assigned before your absence, it is due upon your return. If work was assigned during your absence, it is due the day after your return. **Late work will otherwise not be accepted.**
9. The textbook must be covered at all times.
10. Students will remain seated until they are dismissed. **No one may leave early.**
11. **Cheating of any kind will not be tolerated.** Any student caught cheating will receive a zero score on the assignment in question, a "U" in citizenship, and lose all extra credit points for the entire semester. The school cheating policy will also be observed.

Grades will be determined on a standard percentage scale. If you obtain 90-100 percent of all possible regular points you will receive an "A," 80-89 = "B," 70-79 = "C," 60-69 = "D," 59 > "F."

Class Assignments. Students who miss quizzes, group activities, and video questions cannot make these up directly due to the difficulty of recreating these assignments for individual students. However, students who miss these events due to excused absences can make up the points through extra credit that will be offered throughout the course.

Please return this portion of the syllabus

Print Student Name

Period

I have read the syllabus for AP U.S. History

Parent signature _____

Date _____

Student signature _____

Date _____