

East Penn School District
Secondary Curriculum

A Planned Course Statement
for

Economics, AP

Course # 266

Grade(s) 12

Department: Social Studies

Length of Period (mins.) 41

Total Clock Hours: 123

Periods per Cycle: 6

Length of Course (yrs.) 1.0

Type of Offering: required ✓ elective

Credit: 1.0

Adopted:

Developed by:

Eric Kahler

Description of Course

Course Title:

Economics, AP - # 266

Description:

The study of economics is the study of choices and decision-making. Throughout history, people have always made choices and decisions, many of which would now be classified as economic. Many of today's issues, such as inflation, recession, urban decline, environmental deterioration, racial discrimination, and poverty in general have economic roots. To solve these problems, the science of economics has developed many useful tools. However, economics is rooted firmly in the social realm from which these problems have emerged-and, as such, is not a value-free discipline.

Structurally, the course is divided into two major parts. The first semester introduces students to the world of microeconomics through the study of basic concepts. The nature and functions of product markets, efficiency, and equity are topics which build upon that foundation and lead students to a greater understanding of the complex relationships which characterize this study. The second semester achieves a broader focus through the study of macroeconomic topics. Building upon several fundamental ideas, this part evolves into a study of measurement, national income, and price determination, and ends with an analysis of the global nature of the modern market and the quest for economic growth.

Goals:

- To give students analytic skills and factual knowledge necessary to deal critically with problems and issues in the United States economy and its interaction in a growing global economy
- To learn to assess historical data, formulas, and calculations to analyze the current economy and make predictions of future economic policy

Requirements:

None.

Text:

Baumol, William J. and Blinder, Alan S., Economics Principles and Policy, 9th edition, Thomson Learning, 2003

Key to Levels of Achievement (Listed with each learning objective)

Awareness (A):	Students are introduced to concepts, forms, and patterns.
Learning (L):	Students are involved in a sequence of steps and practice activities which involved further development and allow evaluation of process.
Understanding (U):	Students demonstrate ability to apply acquired concepts and skills to individual assignments and projects on an independent level.
Reinforcement (R):	Students maintain and broaden understanding of concepts and skills to accomplish tasks at a greater level of sophistication.

Unit	Num	Objective	Level	Content	Evaluation	Standard
Microeconomics: Basic economic concepts	1	Students will define opportunity cost.	A	- Reading - Lecture	Random questioning	
	2	Students will define the economic way of thinking.	A	- Reading - Lecture	Random questioning	6.3.12 B
	3	Students will apply scarcity concepts to a variety of economic and non-economic situations	U	- Discussion - Collaborative activity	- Evaluation of class discussion - Evaluation of collaborative activity	6.3.12 A
	4	Students will identify the conditions that give rise to the economic problem of scarcity.	U	- Lecture - Reading	Quiz	6.3.12 A
	5	Students will identify the opportunity costs of various courses of action involving a hypothetical problem.	R	Collaborative activity	Evaluation of discussion and activity	6.3.12 E
	6	Students will construct production possibilities curves from sets of hypothetical data.	R	- Lecture - Note-taking	Graphing evaluation	
	7	Students will apply the concept of opportunity cost to a production possibilities curve.	R	- Lecture - Graphing activity	- Graphing evaluation - Evaluation of discussion	6.3.12 E
	8	Students will define comparative advantage and absolute advantage.	A	- Reading - Lecture	Random questioning	6.4.12 A
	9	Students will describe and give examples of the law of comparative advantage.	U	Discussion	Random questioning	6.4.12 A
	10	Students will explain how both parties in a trade gain from voluntary exchange.	R	Collaborative activity	Evaluation of collaborative activity	6.4.12 A 6.4.12 F
	11	Students will define specialization and exchange.	A	Lecture	Random questioning	6.4.12 A
	12	Students will use data to determine absolute and comparative advantage.	R	Calculation activity	- Activity evaluation - Instructor prepared evaluation	6.4.12 A
The Nature and Functions of Product Markets	13	Students will describe and analyze what demand is and why consumers buy more of a good or service when the price is lower.	U	- Lecture - Graphing	- Quiz - Random questioning	
	14	Students will differentiate between a	U	Graphing	Collaborative graphing	6.2.12 F

Unit	Num	Objective	Level	Content	Evaluation	Standard
		change in demand and a change in quantity demanded.		• Lecture	project	
	15	Students will list and explain the determinants of demand.	L	• Reading	• Notebook check	6.2.12 E
	16	Students will determine in which direction a demand curve should shift under specific conditions.	L	• Graphing • Lecture	• Random questioning	
	17	Students will define and distinguish between the income and substitution effects.	U	• Reading • Lecture	• Random questioning	
	18	Students will define consumer surplus, and analyze why markets maximize consumer surplus.	U	• Lecture • Collaborative activity	• Evaluation of collaborative activity	
	19	Students will define diminishing marginal utility, and explain how the law of diminishing marginal utility affects the behavior of consumers in a market economy.	R	• Lecture • Calculation activity	• Random questioning	6.3.12 D
	20	Students will describe the behavior of sellers in a competitive market.	L	• Reading • Note-taking	• Random questioning	
	21	Students will differentiate between a change in supply and a change in quantity supplied.	U	• Graphing • Lecture	• Collaborative graphing project	
	22	Students will list and explain the determinants of supply.	L	• Reading	• Quiz	
	23	Students will determine in which direction a supply curve should shift under specific conditions.	L	• Graphing • Lecture	• Random questioning	
	24	Students will define equilibrium price and equilibrium quantity.	A	• Lecture	• Random questioning	6.2.12 E
	25	Students will determine the equilibrium price and quantity when given the demand for and supply of a good or service.	U	• Graphing • Calculations	• Discussion	6.2.12 E
	26	Students will explain why the price of a good or service and the amount bought and sold in a competitive market will be the equilibrium price and quantity.	U	• Collaborative activity	• Group presentation	6.2.12 E
	27	Students will predict the effects of	R	• Collaborative activity	• Group presentation	6.2.12 E

Unit	Num	Objective	Level	Content	Evaluation	Standard
		changes in supply and demand on equilibrium price and quantity, and on the price of substitute and complementary goods.				
	28	Students will explain which curve has shifted, and why given specific changes in supply and demand.	R	• Reading • Lecture	• Quiz	
	29	Students will analyze how buyers and sellers respond to incentives provided by changing market conditions.	U	• Lecture	• Quiz	6.1.12 A 6.1.12 B
	30	Students will explain how markets provide information that enables consumers and producers to allocate resources more efficiently.	U	• Lecture • Collaborative activity	• Free response questions	6.1.12 A 6.1.12 B 6.3.12 C
	31	Students will analyze how markets act as rationing devices, and how markets allocate resources.	U	• Reading • Lecture	• Discussion	6.1.12 A 6.1.12 B 6.3.12 C
	32	Students will define price elasticity of demand and supply.	A	• Reading	• Random questioning	
	33	Students will define and distinguish among elastic, inelastic, and unit elastic demand.	L	• Lecture	• Random questioning	
	34	Students will explain the characteristics that tend to make demand more elastic or more inelastic.	L	• Collaborative activity	• Discussion • Quiz	
	35	Students will determine the prices at which a product has elastic or inelastic demand by observing how total revenue changes in response to changes in price.	U	• Lecture • Calculations	• Free response questions	
	36	Students will apply price elasticity of demand to economic problems.	R	• Collaborative activity	• Presentation	
	37	Students will define and distinguish between a normal good and an inferior good using income elasticity of demand.	U	• Calculations	• Random questioning	
	38	Students will calculate price elasticity's of demand using the arc method.	U	• Calculation activity	• Presentation/explanation	
	39	Students will calculate varying price	U	• Calculation activity	• Quiz	

Unit	Num	Objective	Level	Content	Evaluation	Standard
		elasticity's of demand along a demand curve of constant shape.				
	40	Students will define and describe price ceilings and price floors.	L	• Reading • Lecture	• Random questioning	6.2.12 F
	41	Students will illustrate price ceilings and floors on graphs, and analyze their effects in terms of surpluses and shortages.	U	• Graphing • Lecture	• Free-response questions	6.2.12 F
	42	Students will analyze how prices act as incentives that influence human behavior.	R	• Lecture • Note-taking	• Instructor prepared evaluation	
	43	Students will apply price-theory concepts to analyze market behavior.	R	• Collaborative activity	• Presentation	6.2.12 F
	44	Students will analyze how prices act as rationing devices, allocate resources, and determine income distribution.	R	• Collaborative activity	• Discussion	
The Theory of the Firm	45	Students will describe the major characteristics of perfect competition, monopolistic competition, oligopoly and monopoly.	A	• Reading • Lecture	• Evaluation of note taking	6.2.12 B
	46	Students will define the relationship between inputs and outputs, or product and cost.	L	• Discussion	• Evaluation of class discussion	
	47	Students will explain the relationships among marginal product, total product, and average product.	U	• Discussion • Graphing activity	• Evaluation of activity	
	48	Students will explain the relationships among cost, total variable cost, and average variable cost.	U	• Discussion • Graphing activity	• Evaluation of class discussion	
	49	Students will use explicit and implicit costs to determine economic profit and loss.	R	• Collaborative activity	• Evaluation of class discussion	6.5.12 D
	50	Students will distinguish economic profit from normal profit.	U	• Discussion	• Quiz	6.5.12 D
	51	Students will define and graph total fixed cost, total variable cost, total cost, average fixed cost, average variable cost, average total cost, and marginal cost.	U	• Discussion • Graphing activity	• Evaluation of graphs	6.5.12 D
	52	Students will calculate AFC, AVC,	R	• Collaborative activity	• Evaluation of calculations	

Unit	Num	Objective	Level	Content	Evaluation	Standard
		ATC, and MC given a schedule of the quantity of output, and fixed and variable costs at each output level.				
	53	Students will explain why $MC=ATC$ at the minimum ATC level.	R	Discussion	Evaluation of class discussion	
	54	Students will explain why fixed cost is unrelated to marginal cost.	L	Discussion	Evaluation of class discussion	
	55	Students will explain how decreasing marginal product is related to increasing marginal costs.	U	- Discussion - Individual activity	Evaluation of class discussion	
	56	Students will explain how the law of diminishing marginal returns affects costs.	R	Discussion	Evaluation of class discussion	
	57	Students will list the conditions that must be fulfilled if an industry is to be perfectly competitive, and why price, marginal revenue, and demand are equal.	L	- Discussion - Individual activity	Evaluation of class discussion	
	58	Students will compute and graph price, average revenue, and marginal revenue when given the demand schedule faced by a perfectly competitive firm.	U	Graphing activity	Evaluation of graphs	
	59	Students will explain the profit-maximizing rule for a perfect competitor, and state the reason the rule works.	L	- Discussion - Lecture	Evaluation of class discussion	6.5.12 D
	60	Given data, students will determine the price and output of a perfectly competitive firm in the short run.	L	- Lecture - Discussion - Graphing activity	Evaluation of discussion	
	61	Given data, students will determine the break-even and shutdown points for a perfect competitor.	L	- Lecture - Discussion - Graphing activity	Evaluation of discussion	
	62	Given data, students will use the price and the output of the individual firm and of the industry to describe how the entry and exit of firms bring about long-run equilibrium.	R	Collaborative activity	Test	
	63	Students will evaluate the implication of long-run equilibrium where $P=MC=ATC$.	R	Individual activity	Free response questions	
	64	Students will calculate the firm's	L	Calculations	Evaluation of calculations	6.5.12 D

Unit	Num	Objective	Level	Content	Evaluation	Standard
		economic profit at a given price.				
	65	Students will describe the long-run adjustment of the firm and the industry to short-run economic profits and losses.	R	Collaborative activity	Evaluation of activity	
	66	Students will evaluate the advantages and shortcomings of a perfectly competitive market.	R	- Lecture - Discussions	Essay	
	67	Students will find the monopolists profit maximizing output, given cost and demand information.	L	- Individual activity - Lecture	Evaluation of discussion	
	68	Students will compare and contrast the monopolist's profit maximizing price, output, and profit with those of a perfect competitor.	R	Comparative Collaborative activity	Free response questions	
	69	Students will describe the effect of a monopoly on consumer and producer surplus.	U	Discussion	Evaluation of discussion	6.2.12 H
	70	Students will analyze the effects of pure monopoly on the price of the product, the quantity of the product produced, and the allocation of society's resources.	L	- Lecture - Discussion	Evaluation of discussion	6.2.12 H
	71	Students will identify the socially optimal and fair-return price for a regulated monopoly.	U	- Lecture - Individual activity	Evaluation of discussion	6.2.12 H
	72	When given cost and price data, students will determine the output and price charged by a monopolistic competitor in the short run and in the long run.	L	- Lecture - Discussion	Evaluation of discussion	6.2.12 H
	73	When given cost and price data, students will determine the output and price charged by an oligopolist in the short run and in the long run.	L	- Lecture - Discussion	Evaluation of discussion	
	74	Students will discuss and describe the role and types of non-price competition in oligopolists.	U	- Discussion - Collaborative activity	Free response questions	
	75	Students will discuss the mutual	R	Collaborative activity	Evaluation of discussion	

Unit	Num	Objective	Level	Content	Evaluation	Standard
		interdependence of oligopolists and analyze how this provides incentives to cheat on a collusive agreement.				
	76	Students will use game theory to illustrate how the prisoner's dilemma affects collusive and competitive strategies.	R	Collaborative activity	- Evaluation of discussion - Free response questions	
Factor Markets	77	Students will construct a marginal physical and revenue product schedule for a resource purchased in a perfectly competitive resource market when the product is sold in a perfectly and an imperfectly competitive market.	L	- Discussion - Collaborative activity	Evaluation of discussion	6.3.12 D
	78	Students will determine how much of a resource the firm will employ and what price it will pay.	U	- Discussion - Calculations	Free response questions	6.3.12 D 6.5.12 A
	79	Students will state and use the principle employed by a firm to develop the least-cost profit-maximizing combination of resources.	R	Collaborative activity	Evaluation of discussion	
	80	Students will understand what determines the wage rate and level of employment in competitive and monopsonistic labor markets.	U	- Readings - Lecture	Evaluation of discussion	6.5.12 A 6.5.12 B
	81	Students will analyze the effects of a minimum-wage law and labor-union tactics in competitive and monopsonistic labor markets.	R	- Discussion - Collaborative activity	Teacher made evaluation	
	82	Students will define economic rent, and explain what determines the amount of economic rent paid.	L	- Readings - Lecture	Quiz	
	83	Students will describe why the interest rate is the return on borrowed funds.	U	Discussion	Evaluation of discussion	
The Role of Government	84	Students will define a public good and describe its characteristics.	A	Reading/note-taking	Evaluation of discussion	6.2.12 I
	85	Student will develop a rationale for determining which goods should be produced by the private sector and by the public sector.	R	- Collaborative activity - Charting	Evaluation of student created project	6.2.12 I
	86	Students will explain how private	A	Reading	Evaluation of discussion	6.2.12 K

Unit	Num	Objective	Level	Content	Evaluation	Standard
		market activities can cause externalities.		Discussion		
	87	Students will define and give examples of negative and positive externalities.	L	Group activity	Evaluation of group discussion	
	88	Students will analyze the ways positive and negative externalities can cause overproduction or underproduction of goods and services.	R	Graphing activity	Presentation of graphing activity	
	89	Students will analyze the effectiveness of government policies designed to remedy problems caused by positive or negative externalities.	R	- Collaborative activity - Calculation process	Outcome of calculations	6.2.12 K
	90	Students will describe the Coase Theorem and use it to analyze how negotiations among private-property owners can resolve market-allocation problems.	R	Simulation of negotiations	Evaluation of discussion	
	91	Students will analyze how marginal analysis can determine the optimum amount of pollution cleanup.	R	Marginal analysis of pollution amounts	Evaluation of discussion	
	92	Students will describe the basic tenets of the public-choice model of government behavior and analyze the reasons why self-interest leads to the public good in a private market but does not lead to the public good in the government sector.	L	- Reading - Class discussion	Evaluation of discussion	
	93	Students will define and differentiate between the ability-to-pay and the benefits-received theories of taxation.	L	Lecture	Evaluation of discussion	6.2.12 G 6.2.12 J
	94	Students will define and differentiate among progressive, proportional and regressive taxes.	L	- Lecture - Reading	Instructor prepared evaluation	6.2.12 G
	95	Students will describe who pays income taxes and which income earners bear the greatest burden of income taxes.	U	Class discussion	Tax problem computations	6.2.12 G 6.2.12 J
Macroeconomics: Measuring Economic Performance	96	Students will define macroeconomics and explain the important macroeconomic issues.	A	- Reading - Lecture	Random questioning	
	97	Students will describe the circular flow	L	Concept mapping	Evaluation of student	6.2.12 A

Unit	Num	Objective	Level	Content	Evaluation	Standard
		of goods, services and payments in the macro-economy.			mapping project	
	98	Students will describe the economic goals of the U.S. society.	A	• Collaborative activity	• Evaluation of discussion	6.1.12 C
	99	Students will define full employment, inflation, economic growth, and the construction of a price index.	A	• Reading • Lecture	• Random questioning	
	100	Students will explain the importance of GDP as a measure of economic activity and describe the difference between real GDP and nominal GDP.	U	• Collaborative activity	• Instructor prepared evaluation	
	101	Students will demonstrate how to change the base year of a price index.	U	• Collaborative activity	• Calculation results	
	102	Students will define anticipated versus unanticipated inflation and the impact on the economy.	R	• Discussion • Lecture	• Essay	
	103	Students will define unemployment, employment, labor force, and labor force participation rate.	A	• Reading • Note-taking	• Random questioning	
	104	Students will define the types of unemployment and the issues in measuring unemployment.	L	• Discussion • Collaborative activity	• Random questioning	
	105	Students will define and describe the phases of the business cycle.	L	• Video • Collaborative activity	• Instructor developed evaluation	
Aggregate Demand and Aggregate Supply: Fluctuations in Outputs and Prices	106	Students will explain the four sectors of the Keynesian model and find the equilibrium point in the economy.	U	• Reading • Discussion	• Random questioning	
	107	Students will explain the economy's response if income is not at the equilibrium level.	L	• Reading • Lecture	• Quiz	
	108	Students will explain the consumption function, relationship between average and marginal propensities to consume and save, and the multiplier process.	R	• Simulation • Discussion	• Instructor developed evaluation	
	109	Students will differentiate between investment in capital stock and financial investment.	L	• Reading • Note-taking	• Random questioning	6.2.12 D
	110	Students will describe the determinants	R	• Graphing activity	• Evaluation of student	

Unit	Num	Objective	Level	Content	Evaluation	Standard
		of investment and explain why changes in the interest rate change the level of investment.			graphs	
	111	Students will describe the effects of different interest elasticity's of investment demand.	R	• Graphing activity	• Evaluation of student graphs	
	112	Students will explain why the aggregate demand curve is downward sloping and describe the factors that affect AD.	L	• Reading	• Evaluation of discussion	
	113	Students will explain what factors will shift the aggregate demand curve.	U	• Collaborative activity	• Random questioning	
	114	Students will explain why the aggregate supply curve is upward sloping and describe the factors that affect AS.	L	• Graphing activity	• Evaluation of student graphs	
	115	Students will explain what factors will shift the aggregate supply curve.	U	• Collaborative activity	• Random questioning	
	116	Students will explain what happens to the equilibrium price level and quantity with a change in aggregate demand and aggregate supply.	R	• Discussion • Lecture	• Random questioning	
	117	Students will explain the relationship between the simple Keynesian model and the AD/AS model.	R	• Collaborative activity	• Student presentations of side-by-side graphs	
	118	Students will explain the effects on price and output as the economy moves from the short run to the long run.	L	• Lecture • Collaborative activity	• Quiz	
	119	Students will explain the effects on nominal wage, real wage, and employment of the movement from the short run to the long run.	U	• Graphing activity	• Evaluation of graphs	
	120	Students will relate the long-run aggregate supply curve to the production possibilities curve.	R	• Graphing demonstration	• Quiz	
	121	The students will analyze fiscal policy decisions, and distinguish between discretionary fiscal policy tools and automatic stabilizers.	R	• Analyze economic observations and scenarios	• Evaluation of discussion	
Money, Monetary	122	Students will describe the properties	A	• Reading	• Evaluation of discussion	

Unit	Num	Objective	Level	Content	Evaluation	Standard
Policy, and Economic Stability		and functions of money.				
	123	Students will define the equation of exchange, and explain how changes in the money supply are translated into changes in nominal GDP, prices, and output.	R	• Discussion • Graphing simulation	• Instructor developed examination	
	124	Students will explain the economic function of financial intermediaries, and the fractional reserve system.	L	• Reading • Note-taking • Lecture	• Random questioning	
	125	Students will explain the process by which banks create or destroy money, and the factors that affect the increase or decrease in the money supply.	U	• Calculating deposit expansion multiplier	• Student presentation of responses to calculations	
	126	Students will describe the structure of the Federal Reserve System, and identify each of the tools of the Fed and explain how changes in each tool affect the money supply.	U	• Discussion • Balance sheet calculations	• Instructor developed examination	6.2.12 C
	127	Students will identify the factors that cause the demand for money to shift and explain why the shift occurs.	U	• Lecture • Graphing activity	• Evaluation of activity	6.2.12 C
	128	Students will explain how interest rates are determined in the money market, and how they affect monetary policy.	R	• Graphing activity • Discussion	• Evaluation of discussion • Presentation of graphs	6.2.12 C 6.5.12 H
	129	Students will explain the relationship among the real interest rate; the nominal interest rate and the rate of inflation rate (<i>Fisher Equation</i>).	L	• Lecture • Reading	• Random questioning	
Monetary and Fiscal Policy Combinations: Stabilization Policy in the Real World	130	Students will explain the effects of crowding-out within the short-run aggregate demand and aggregate supply model.	U	• Collaborative activity	• Presentation	6.5.12 H
	131	Students will explain how the Barro-Ricardo effect can reduce the crowding-out effect while simultaneously reducing the effects of the fiscal policy.	R	• Lecture • Collaborative activity	• Evaluation of discussion	6.5.12 H
	132	Students will demonstrate the use of	R	• Graphing activity	• Presentation of graphs	6.5.12 H

Unit	Num	Objective	Level	Content	Evaluation	Standard
		monetary policy to lessen or reinforce the crowding-out effect.				
	133	Students will demonstrate the short-run trade-off between unemployment and inflation.	U	• Graphing activity	• Presentation of graphs	
	134	Students will show how monetary and fiscal policy can help the economy move along the short-run Phillips curve.	R	• Reading • Class discussion	• Random questioning	
	135	Students will describe long-term growth trends in the United States.	U	• Reading • Collaborative activity	• Instructor designed free-response questions	
	136	Students will explain how policy can help achieve increases in the growth rate of the capital stock and increases in technological development.	R	• Collaborative activity	• Presentation of activity results	6.4.12 D
	137	Students will explain the different types of lags in making policy and that there are different estimates about the length of these lags.	L	• Lecture • Note-taking	• Random questioning	
International Economics	138	Students will demonstrate that specialization and trade allow consumption possibilities to exceed production possibilities.	U	• Reading • Discussion • Calculations	• Random questioning	6.4.12 B
	139	Students will explain the effects of tariffs, quotas, and subsidies on domestic production and the prices domestic consumers pay.	A	• Reading • Lecture	• Evaluation of discussion	6.2.12 H
	140	Students will explain the arguments for and against protectionist policies.	U	• Debate	• Evaluation of discussion	6.2.12 L
	141	Students will explain how international trade is financed.	A	• Reading • Lecturing	• Evaluation of discussion	
	142	Students will explain how international transactions affect the balance of trade and the balance payments.	L	• Calculation activity	• Quiz	6.1.12 C 6.4.12 E
	143	Students will explain how the international value of the dollar is determined, and how economic events impact the value of the dollar.	U	• Trade simulation • Calculation activity	• Presentation of calculations	
	144	Students will explain the effects of	L	• Lecture	• Evaluation of discussion	6.4.12 E

Unit	Num	Objective	Level	Content	Evaluation	Standard
		monetary and fiscal policy on foreign exchange markets.		• Class discussion		
	145	Students will explain the effects of changes in the international value of the dollar on foreign trade.	R	• Collaborative activity	• Random questioning	6.2.12 L
	146	Students will explain the effects of changes in net exports on domestic aggregate demand.	R	• Class discussion	• Random questioning	6.1.12 C 6.1.12 D

Other supplemental sources will be added during the year.