



AP Macroeconomics

Unit 1: Basic Economic Concepts



Essential Questions:

1. What is economics?
2. What are the core economic concerns that must be addressed by a society or nation?

Learning Objectives

1. Define economics.
2. Distinguish between positive economics and normative economics.
3. Distinguish between microeconomics and macroeconomics.
4. Define, explain, and evaluate modern economic systems.
5. Articulate the assumptions and values upon which economics is based and analyze the benefits and limitations of these assumptions.
6. Describe the general development of macroeconomic theory and practice from Adam Smith to current economists. (summer reading)
7. Define opportunity cost and identify the opportunity costs of a given decision.
8. Distinguish between comparative and absolute advantage.
9. Explain why trade and specialization increase overall consumption.
10. Explain how incentives and marginal analysis affect decision making.
11. Graphically represent positive and negative correlation.
12. Define, interpret, and construct a production possibilities curve.
13. Calculate comparative advantage given a graph with labeled points or a table of data.

Key Terms:

1. absolute advantage	13. equity	25. normative economics
2. allocative efficiency	14. labor (human resource)	26. opportunity cost
3. capital	15. incentive	27. positive economics
4. causation	16. invisible hand	28. production possibility curve
5. ceteris paribus	17. laissez-faire economics	29. productive efficiency
6. command economy	18. land	30. property rights
7. comparative advantage	19. macroeconomics	31. factor of production
8. correlation	20. marginal analysis	32. (resource)
9. economic aggregate	21. market economy	33. scarcity
10. economic growth	22. microeconomics	34. specialization
11. economics	23. mixed economy	35. technology
12. entrepreneurship	24. natural resource (land)	36. trade-off



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Calendar:

DAY		TOPIC	HW DUE
2-Sep	Monday	NO CLASS	
3-Sep	Tuesday	<ul style="list-style-type: none"> Scarcity Activity What is economics? 	Summer Reading Essay
4-Sep	Wednesday	<ul style="list-style-type: none"> Course Expectations/Policies/Procedures <i>New Ideas from Dead Economists</i> discussion 	<ul style="list-style-type: none"> Summary of Course Objectives Syllabus Acknowledgment
5-Sep	Thursday	<ul style="list-style-type: none"> <i>New Ideas from Dead Economists</i> PPT presentations 	Summer Reading PPT's
6-Sep	Friday	<ul style="list-style-type: none"> Discussion of Krugman's <i>How Did Economists Get It So Wrong?</i> 	<ul style="list-style-type: none"> "How Did Economists Get It So Wrong?"
DAY		TOPIC	HW DUE
9-Sep	Monday	HOLIDAY	HOLIDAY
10-Sep	Tuesday	<ul style="list-style-type: none"> Summer Reading Quiz Ten Principles of Economics 	<ul style="list-style-type: none"> Quiz Ten Principles Handout
11-Sep	Wednesday	<ul style="list-style-type: none"> Discussion of <i>Adam Smith and the invisible hand</i> 	<ul style="list-style-type: none"> "Adam Smith and the invisible hand" Module 1 Q's on pp. 8-9
12-Sep	Thursday	<ul style="list-style-type: none"> Scarcity, Choice, and Opportunity Costs 	<ul style="list-style-type: none"> Morton's Micro A4 "The Scarcity of Land"
13-Sep	Friday	<ul style="list-style-type: none"> Rational Decision-making and Marginal Analysis 	"X Factor of Economics - People"
DAY		TOPIC	HW DUE
15-Sep	Monday	<ul style="list-style-type: none"> Role of Incentives 	"Incentives Matter"
16-Sep	Tuesday	<ul style="list-style-type: none"> Production Possibilities Curve 	<ul style="list-style-type: none"> "I, Pencil" Module 3 Q's on pp. 21-22
17-Sep	Wednesday	<ul style="list-style-type: none"> Specialization and Trade Comparative v Absolute Advantage 	Module 4 Q's on pp. 29 – 30
18-Sep	Thursday	<ul style="list-style-type: none"> Specialization and Trade Comparative v Absolute Advantage Key Concepts Presentations 	<ul style="list-style-type: none"> Morton's Micro A6 Key Concepts PPT
19-Sep	Friday	<ul style="list-style-type: none"> Key Concepts Presentations Review for Unit Test 	
DAY		TOPIC	HW DUE
22-Sep	Monday	UNIT TEST	UNIT TEST