

AP Macroeconomics Quarter 1 Essay

Assignment: Write a **3-page (800-word)** essay on an economic problem that may or may not be resolved via public policy. In your essay you must **define** the **economic problem**. For example, if your essay topic is smoking, you must explain why cigarette consumption leads to market failure. **Outline** and **explain** the **policy options** available to government to address the problem. Policy options may include but are not limited to taxes, subsidies, price controls, and supply controls. **Evaluate** the **options** and present the optimal economic solution, including leaving it up to private markets to address the issue. As much as possible, use **economic terms** and **models (graphs)** to support your analysis and evaluation. You must use **parenthetical citations** to cite articles provided by me as well as other sources. Finally, you must attach a **list of works cited page** at the end of the essay.

Topics:

- Declining fertility / low birth rate / insufficient working age population
- Obesity
- Unhealthy food / junk food
- Smoking / alcohol consumption
- Traffic congestion
- Education
- Vaccination
- Unaffordable rents / rent control
- Below poverty level wages / minimum wage
- Animal disease control
- Air pollution reduction / ozone shield protection / global warming prevention
- Gambling
- Prostitution
- High costs of higher education in the United States
- Topic of your choice that is an example of public good or other type of good that cannot be efficiently provided by the market.

Format:

- Typed, 1-inch margins, 12-pt font, double-spaced
- Name, title, and date on top of first page (no title page required)

Due Date:

October 31, 2014

Sources:

- Textbook
- Articles posted on Weebly.
- Research on topic (start with The Economist)