

Microeconomics

2011 - 2012

Brief Description of Course

AP Microeconomics This course is a semester length, college level introduction to Microeconomics. Classes will meet for 50 minutes each day, five days per week. Each class will consist of approx. 25 students. The class will focus on the interaction of producers and consumers in the product and factor markets, introduce students to economic analysis and the "economic way of thinking", and explore the role of government in the marketplace. Each unit concludes with a test which consists of multiple choice and free response questions similar in style and difficulty to the AP Microeconomics Exam. In addition to the unit tests, student progress is monitored throughout the unit through regular homework/class assignments and quizzes. Grading System: 70% - Unit Tests 30% - Homework, Classwork, Quizzes Final Exam is averaged as a double test grade at the end of the semester.

Unit Information

Unit Name or Timeframe:

Unit 1 - Basic Economic Concepts (2 weeks)

Content and/or Skills Taught:

Key Topics: Scarcity, Making decisions on the margin, Macro vs. Microeconomics, Opportunity Cost and Trade Offs, Production Possibility Curves, Positive & Normative Economics, Four Factors of Production, Three Basic Economic Questions, Three Economic Systems: Market, Command, Traditional, Circular Flow Model, Key features of the Market Economy: Private Property, Profit Motive, Competition, Benefits of Trade: Absolute & Comparative Advantage, Terms of Trade, Major Economic Theorists: Adam Smith, David Ricardo, Karl Marx, John Maynard Keynes

Major Assignments and/or Assessments:

Reading Assignments: McConnell / Brue Chapters 1,2,4 and pp. 91-99, 690-697

Morton Activities:

- 1 - Do You Think Like An Economist?
- 2 - Scarcity, Opportunity Cost, Production Poss. Curves
- 3 - You Don't Have to Spend a Buck to Have a Cost
- 4 - Campus Parking
- 5 - The Circular Flow of Resources, Goods, Services, and Money Payments
- 7 - Is the Benefit of Doing Anything Worth the Cost of Doing it Well?
- 49 - Determining Comparative Advantage
- 50 - Economic Efficiency and the Gains from Trade

Stossel Clips:

Micro 1 - Cost and Benefits of Government Regulations

Micro 2 - Is Sharing Good?

Micro 3 - Greed

Micro 4 - Why Steak Gets to New York

Macro 9 - The Role of Freedom in Prosperity

Micro 10 - Poverty and Entrepreneurship

Macro 11 - Eminent Domain in New Rochelle (property rights)

Assessment:

Test with 30 multiple choice questions and 1 free response question.

Unit Name or Timeframe:

Unit 2 - Supply & Demand (3 weeks)

Content and/or Skills Taught:

Key Topics: Law of Demand and Determinants of Demand, Law of Supply and Determinants of Supply, Supply & Demand Curves, Shifting Demand and Supply Curves and Movement Along the Curves, Equilibrium/Market Price, Surplus and Shortage, Consumer Surplus and Producer Surplus, Substitute & Complementary Goods, Price Floors and Price Ceilings, Elasticity and Inelasticity, Income and Substitution Effects, Law of Diminishing Marginal Utility, Consumer Choice, Budget Constraint, Utility Maximization, Indifference Curves, Market Efficiency, Tax Incidence, Deadweight Loss

Major Assignments and/or Assessments:

Reading Assignments: McConnell / Brue Chapters 3, 20, 21

Morton Activities:

9 - Demand Curves, Movements Along and Shifts in Demand Curves

10 - Reasons for Changes in Demand

11 - Why is the Demand Curve Downward Sloping?

12 - Supply Curves, Movements Along, and Shifts in Supply Curves

13 - Reasons for Changes in Supply

14 - Equilibrium Price and Quantity

15 - Shifts in Supply and Demand

16 - How Markets Allocate Resources

17 - Elasticity: An Introduction

18 - Determinants of Elasticity of Demand

19 - Elasticity and Total Revenue

20 - Applying Elasticity to the Real World

21 - Excise Taxes

22 - Maximum and Minimum Price Controls

Stossel Clips:

Micro 5 - Rent Control

Micro 6 - Pharmaceuticals, Price Controls, and Availability

Assessment:

Test with 30 multiple choice questions and 1 free response question.

Unit Name or Timeframe:

Unit 3 - Production, Costs, and Revenues (3 weeks)

Content and/or Skills Taught:

Key Topics: Explicit and Implicit Costs, Accounting Profit, Economic Profit, Normal Profit, Production Function, Diminishing Returns, Costs: (Fixed, Variable, Total, Averages, Marginal), Graphing Cost Curves, Economies and Diseconomies of Scale, Constant Returns, Sunk Cost, Revenue Functions (Average, Total, Marginal), Break Even Point, Profit Maximization ($MR=MC$), Shutdown Point, Short-Run vs. Long Run Equilibrium, Productive and Allocative Efficiency, Perfect Competition

Major Assignments and/or Assessments:

Reading Assignments: McConnell / Brue Chapters 22 & 23

Morton Activities:

25 - Mirror Images: Marginal Product and Marginal Cost
26 - Costs of the Individual Firm
27 - An Introduction to Perfect Competition
28 - Costs and Competitive Market Supply
29 - Short Run and Long Run Comp. Equilibrium
30 - Long Run Average Cost Curves
31 - Graphing Perfect Competition
Stossel Clip: Micro 9 Wal-Mart, Competition, and Cost Control
Assessment:

Test with 30 multiple choice questions and 1 free response question.

Unit Name or Timeframe:

Unit 4 - Market Structures (3 weeks)

Content and/or Skills Taught:

Key Topics: Monopoly, Natural Monopoly, Barriers to Entry, Price Discrimination, Government Regulation Strategies, Graphing Characteristics of the Monopoly, Product Differentiation, Non-Price Competition, Oligopoly, Concentration Ratio, Herfindahl Index, Interdependent Behavior, Game Theory, Collusion, Price Leadership, Prisoner's Dilemma, Graphing Characteristics of Oligopoly & Monopolistic Competition, Anti-Trust Laws

Major Assignments and/or Assessments:

Reading Assignments: McConnell / Brue Chapters 24, 25, 32

Morton Activities:

24 - Different Types of Market Structures
32 - Marginal Revenue for an Imperfect Competitor
33 - Pure Monopoly
34 - Monopoly Pricing
35 - Let's Play Monopoly
36 - Price Discrimination
37 - Regulating Monopoly
38 - Monopoly Consultants, Inc.
39 - A Quick Review of Perfect Competition and Monopoly
40 - Monopolistic Competition
41 - Game Theory
42 - Market Structure and Business Decision Making

Economics USA Programs:

#19 - Monopoly
#20 - Oligopolies

Assessment:

Test with 30 multiple choice questions and 1 free response question.

Unit Name or Timeframe:

Unit 5: Factor Markets (3 weeks)

Content and/or Skills Taught:

Key Topics: Derived Demand and the Factors of Production, Marginal Revenue Product, Marginal Resource Cost, Optimizing Rule ($MRP=MRC$), Elasticity of Resource Demand, Optimal Combination of Resources, Nominal and Real Wages, Competitive Labor Market, Monopsony and Labor, Labor Unions, Productivity, Income Distribution, , Lorenz Curve & Gini Ratio, Minimum Wage, Economic Surplus, Economic Rent and the Use of Land and Capital, Nominal and Real Interest Rates, Insurable

Risks, Uninsurable Risks

Major Assignments and/or Assessments:

Reading Assignments: McConnell / Brue Chapters 27, 28, 29

Morton Activities:

44 - How Many Workers Should Be Hired?

45 - The Derived Demand for a Resource

46 - The Only Yo-Yo Game in Town

47 - Factor Market Pricing

48 - How Wages Are Determined in Competitive Labor Markets

49 - The Effects of Unions on Wages and Employment in Competitive and Monopsonistic Labor Markets

50 - The Story of Economic Rent: What Do Land, Athletics, and Government Have in Common?

51 - Problems Dealing With Factor Markets

Stossel Clips:

Micro 11 - Wage Discrimination

Micro 12 - Child Labor Laws

Assessment:

Test with 30 multiple choice questions and 1 free response question.

Unit Name or Timeframe:

Unit 6 - Market Failure and the Role of Government (2.5 Weeks)

Content and/or Skills Taught:

Key Topics: Public Goods, Optimal Quantity, Non-exclusion, Shared Consumption, Free Rider, Privatization, Market Failure, Negative Externalities (with Graphs), Positive Externalities (with Graphs), Coase Theorem, Marginal Social Benefit, Marginal Social Cost, Public Choice Theory, Median Voter Outcome, Special Interests, Subsidies, Deficit Spending, Economics of Taxation (Progressive, Regressive, Proportional Taxes, Ability to Pay, Benefits Received, Tax Equity, Excise Taxes)

Major Assignments and/or Assessments:

Reading Assignments: McConnell / Brue Chapters 30, 31

Morton Activities:

52 - Private or Public? Public Goods and Services

53 - Private vs. Public

54 - Externalities

55 - Private or Public? The Coase Theorem

56 - Economic Efficiency and the Optimum Amount of Pollution Cleanup

57 - The Economics of Information (market failure)

58 - Public Choice Economics

59 - What is a Fair Tax?

60 - Who Pays the Income Tax?

Stossel Video Clips:

Micro 7 - Subsidized Flood Insurance

Micro 8 - Politics, Economics, and Farm Subsidies

Macro 14 - Pork Barrel Spending

Macro 15 - Competition and Efficiency of Government

Micro 16 - School Choice

Economics USA Programs - #21 Pollution

Assessment:

Test with 30 multiple choice questions and 1 free response question.

Unit Name or Timeframe:

Course Review and Final Exam (1.5 Weeks)

Students will review the key ideas, economic models, and important graphs from the entire course.

Final Exam - 60 multiple choice questions and 3 free response questions (Released AP Exam)

Content and/or Skills Taught:

Major Assignments and/or Assessments:

Textbooks

Title:Economics - Principles, Problems, and Policies 16t

Publisher: McGraw Hill

Published Date: 2005

Author: Campbell McConnell

Second Author: Stanley Brue

Description:

Other Course Materials

Material Type:Other

Description:

Morton, John S.

Advanced Placement Economics: Teacher Resource Manual
and

Morton, John S.

Advanced Placement Economics: Microeconomics: Student Activities

Provides practice exercises for students to supplement classroom lessons and text.

Material Type:Audiovisual Materials

Description:

1. Video Collection: Teaching Tools for Microeconomics and Macroeconomics by John Stossel,
College Edition

2. Video Collection: Economics USA

Both of these collections provide short, instructive videos for students on a wide variety of economic topics to supplement classroom instruction.

Websites

URL:<http://www.councilforeconed.org>

Description:

Council of Economic Education: a general curriculum resource site for Micro and Macroeconomics.