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| AP Microeconomics | Book = Economics for AP | Strive for 5 | PPT. | Standards Objectives |
| Week 1 | Ch. 1 Modules 1 & 3  **Section 1 Textbooks pages**  Opening: Section 1 p. 1  Module 1: The Study of Economics p. 1-9  Module 2: Introduction to Macroeconomics p. 10-15  Module 3: The Production Possibilities Curve Model p. 16-22  Module 4: Comparative Advantage and Trade p. 23-30  Section 1 Summary p. 31-33  Section 1 Appendix: Graphs in Economics p. 34-45 | Modules 1, 3,5   1. *Strive for a 5*: Ray and Mayer   Module 1 Activities p. 2-6  Module 2 Activities p. 7-10  Module 3 Activities p. 11-13  Module 4 Activities p. 14-16  Section 1 Before You Take the Test  Featured Graph: Production Possibility Curve p. 16-18  Problems p. 18-23  Review Questions p. 24-27 | Introduction to Econ. PPT. | **Unit 1** U**Topic**  ***8-14% of AP*****Basic Economic Concepts**  ***Test*** A. Scarcity, choice and opportunity cost  B. Production possibilities curve  C. Comparative advantage, absolute advantage, specialization and trade  D. Economic systems  E. Property rights and the role of incentives  F. Marginal analysis |
| Week 2 | **Section 2 Textbooks pages**  Opening: Section 2 p. 47  Module 5: Introduction to Demand p. 48-58  Module 6: Supply and Equilibrium  p. 59-70  Module 7: Changes in Equilibrium  p. 71-76  Module 8: Supply and Demand Controls (Ceilings and Floors) p. 77-88 | 1. *Strive for a 5:* Ray and Mayer   Module 5 Activities p. 36-40  Module 6 Activities p. 41-44  Module 7 Activities p. 45-47  Module 8 Activities p. 48-50  Module 9 Activities p. 51-53  Section 2 Before You Take the Test  Featured Graph: Demand/Supply Curves p. 54-56  Problems p. 56-65  Review Questions p. 65-67  *Strive for a 5:* Ray and Mayer  Module 46 Activities p. 80-82  Module 47 Activities p. 83-85  Module 48 Activities p. 86-88 | S & D PPT | **Unit 2** U**Topic**  ***20-30% of AP*** **The Nature and Functions of Product Markets**  ***Test*** A. Supply and demand  1. Market equilibrium  2. Determinants of supply and demand  3. Price and quantity controls  4. Elasticity  a. Price, income and cross-price elasticities of demand  b. Price elasticity of supply  5. Consumer surplus, producer surplus and market efficiency  6. Tax incidence and deadweight loss  B. Theory of consumer choice (5–10%)  1. Total utility and marginal utility  2. Utility maximization: equalizing marginal utility per dollar  3. Individual and market demand curves  4. Income and substitution effects |
| Week 3 | Module 9: Supply and Demand Quantity Controls  p. 88-94  Section 2 Summary p. 94-99  **Section 9**  Opening: Section 9 p. 457  Module 46: Income Effects, Substitution Effects and Elasticity p. 458-465  Module 47: Interpreting Price Elasticity of Demand p. 486-474  Module 48: Other Elasticities p. 475-481  Module 49: Consumer and Producer Surplus p. 482-494    Module 50: Efficiency and Deadweight Loss p. 495-510  Module 51: Utility Maximization p. 511-522  Section 2 Summary p. 522-528 | Continue Unit 2  Module 49 Activities p. 89-91  Module 50 Activities p. 92-94  Module 51 Activities p. 95-98  Section 9 Before You Take the Test  Featured Graph: Producer and Consumer Surplus p. 99-100  Problems p. 100-111  Review Questions p. 111-117 | Supply & Demand PPT | Student Objectives   1. Use a production possibilities curve to demonstrate opportunity cost and growth 2. List the determinants of demand and supply curves 3. Recognize which factors will cause demand curves or supply curves to shift to shift 4. Distinguish between changes in quantity demanded versus a change in demand 5. Distinguish between changes in quantity supplied versus a change in supply 6. Determine equilibrium using a demand/supply graph and show the effects on price and quantity when equilibrium changes 7. Distinguish between a normal and inferior good 8. Distinguish between a substitute and complementary good 9. Predict the effect of an effective price ceiling or floor in a market 10. Measure elasticity using percentage changes in quantity caused by price changes 11. Use demand/supply graphs to show the effect of differences in elasticity 12. Define the law of diminishing marginal utility 13. Use the income effect and the substitution effect to explain the down-sloping demand curve 14. Apply the utility-maximizing rule 15. Given a demand/supply graph, identify/calculate the area of consumer surplus/producer surplus 16. Given a graph, identify/calculate the area of consumer surplus/producer surplus when government imposes a tariff 17. Identify principles used to assess fairness of a tax 18. Discuss the costs of taxation on the total surplus and on the economy 19. Given a graph, identify the incidence of a tax on buyer and seller and the deadweight loss   III. Graphs and Diagrams to be mastered   1. Demand Supply and Equilibrium Model 2. Shifts of Demand and Supply Curves 3. Price Ceilings and Price Floors 4. Elasticity of Demand and Supply 5. Consumer and Producer Surplus 6. Effect of Quotas and Tariffs   IV. Formulas to be mastered   1. Price Elasticity of Demand calculation 2. Cross-Price Elasticity of Demand calculation 3. Income Elasticity of Demand calculation 4. Price Elasticity of Supply calculation |
| Week 4 | **Section 10 Textbooks pages**  Opening: Section 10 p. 529  Module 52 Defining Profit p. 530-535  Module 53: Profit Maximization p. 536-541  Module 54: The Production Function p. 542-547  Module 55: Firm Costs p. 548-558  Module 56: Long Run Costs and Economies of Scale p. 559-566 | Product Market   1. *Strive for a 5:* Ray and Mayer   Module 58 Activities p. 174-175  Module 59 Activities p. 176-179  Module 60 Activities p. 180-182  Module 61 Activities p. 183-185 | Product Market PPT. | II. Student objectives   1. Distinguish economic profit from accounting profit. 2. Make a distinction between the short run from the long run 3. Define the law of diminishing marginal returns 4. Identify per unit costs when given total costs and output; identify total costs when given per unit costs output |
| Week 5 | Module 57: Introduction to Market Structure p. 567-576  **Section 10** Summary p. 577-581  **Section 11**  Opening: Section 11 p. 583  Module 58 Introduction to Perfect Competition  p. 584-589  Module 59: Graphing Perfect Competition p. 590-598  Module 60: Long-Run Outcomes in Perfect Competition p. 599-607  Module 61: Introduction to Monopoly p. 608-616  Module 62: Monopoly and Public Policy p. 617-623  Module 63: Price Discrimination p. 624-630  **Section 11** Summary p. 630-636 | Module 62 Activities p. 186-188  Module 63 Activities p. 189-191  Section 11 Before You Take the Test | Product PPT | 1. Identify the key characteristics of the four types of market structure 2. Use the profit-maximizing rule (MR=MC) to determine output price for firms in the different types of market structure 3. Determine short and long run profit in the different types of market structure 4. In words and using graphical analysis, show the short and long position of the purely competitive firm 5. In words and using graphical analysis, show the profit scenario of a single price monopolist and a perfectly discriminating monopolist   III. Graphs and Diagrams to be mastered   1. Perfect Competition—firm’s price and profit-maximizing level of output in short and long run 2. Short run individual firm supply curve 3. Short and Long run market equilibrium 4. Effect of an Increase in Demand in the short and long run 5. Comparison of Demand Curve for Individual Perfectly Competitive producer vs. Demand Curve of Monopolist 6. Demand and Marginal Revenue for Monopolist 7. Monopolist’s Profit Maximizing Price and Output 8. Monopolist’s Profit 9. Monopoly Inefficiency, Consumer and Producer Surplus 10. Price Discriminating Monopolist Model   IV. Formulas to be mastered   1. Total Revenue = Price x Quantity; Profit=Total Revenue — Total Costs 2. Marginal Revenue = Change in Total Revenue / change in quantity of output 3. Profit Maximizing Level of Output where MR = MC 4. Marginal Product of Labor = Change in Quantity of Output / Change in Quantity of Labor 5. Total Costs = Fixed Costs + Variable Costs 6. Marginal Cost = Change in Total Costs / Change in Quantity of Output 7. Average Total Costs = Total Cost / Quantity of Output 8. Average Fixed Costs = Total Fixed Cost / Quantity of Output 9. Average Variable Costs = Total Variable Cost / Quantity of Output 10. Herfindahl-Hirschman Index 11. MR=MC to determine profit maximizing level of output 12. P > minimum ATC is profitable with firms entering in the long run 13. P = minimum ATC is breakeven point 14. P< minimum ATC is unprofitable and exit in the long run |
| Week 6 | **Section 12 Textbooks pages**  Opening Section 12 p. 637  Module 64: Introduction to Oligopoly p. 638-643  Module 65: Game Theory p. 644-651  Module 66: Oligopoly in Practice p. 652-658  Module 67: Introduction to  Monopolistic Competition    p. 659-667  Module 68: Product Differentiation and Advertising p. 668-673  Section 12 Summary p. 673-677 | 1. *Strive for a 5:* Ray and Mayer   Module 64 Activities p. 214-216  Module 65 Activities p. 217-219  Module 66 Activities p. 220-222  Module 67 Activities p. 223-225  Module 68 Activities p. 226-227  Section 12 Before You Take the Test  Featured Graphs: Payoff Matrices and Monopolistic Competition p. 228-229  Problems p. 230-235  Review Questions p. 235-239 | Product Market PPT | 1. Define and identify a dominant strategy and Nash Equilibrium when given a payoff matrix 2. Predict the behavior of oligopolistic firms using game theory and profit matrixes 3. In words and using graphical analysis, show the position of the monopolistically competitive firm in the short and long run   III. Graphs and Diagrams to be mastered   1. Payoff Matrix 2. Prisoner’s Dilemma 3. Monopolistically Competitive Firm in Short Run 4. Entry/Exit Demand Curves and Marginal Revenue Curves for Monopolistically Competitive Firm 5. Long-Run Zero Profit Equilibrium for Monopolistically Competitive Firm 6. Comparing Long-Run equilibrium for Perfect Competitive and Monopolistically Competitive 7. Firms   IV. Formulas to be mastered   1. Herfindahl-Hirschman Index (Section 10) |
| Week 7 | **Section 6 Textbooks pages**  Opening Section 13 p. 679    Module 69: Introduction and Factor Demand p. 680-689  Module 70: The Markets for Land and Capital p. 690-694  Module 71: The Market for Labor p. 695-705 | * 1. *Strive for a 5:* Ray and Mayer   Module 69 Activities p. 250-252  Module 70 Activities p. 253-254  Module 71 Activities p. 255-258  Module 72 | Factor Market PPT | 1. Define derived demand 2. Given a graph or a table, determine the market wage and the quantity of labor a profit-maximizing firm would hire in a perfectly competitive labor market 3. Given a graph or a table, determine the market wage and the quantity of labor a profit-maximizing firm would hire in a imperfectly competitive labor market 4. Given a graph or table, determine the price and quantity of economic rent and interest in land and capital markets. 5. Define how firms determine the optimal input mix 6. State the Cost-Minimizing Rule for hiring inputs 7. Define the marginal productivity theory of income distribution 8. Identify the sources of wage disparities and the role of discrimination   III. Graphs and Diagrams to be mastered   1. Factor Distribution of Income 2. Value of the Marginal Product (VMP) 3. Shifts of the VMP curve 4. Demand, Supply and Equilibrium of Land and Capital Markets 5. Labor Demand, Labor Supply and Equilibrium in the Perfectly Competitive Labor Market 6. Labor Demand, Labor Supply and Equilibrium in the Imperfectly Competitive Labor Market   IV. Formulas to be mastered   1. Cost Minimization Rule—MPL/Wage = MPK/Rental Rate |
| Week 8 | Factor Markets  Module 72: The Cost-Minimizing Input Combination p. 706-710  Module 73: Theories of Income Distribution p. 711-718  Section 13 Summary p. 718-721 | Activities p. 259-260  Module 73 Activities p. 261-263  Section 13 Before You Take the Test    Featured Graphs:  The Labor Market  p. 264--265  Problems p. 265-270  Review Questions p. 270-273 | Factor Market PPT | 1. Define derived demand 2. Given a graph or a table, determine the market wage and the quantity of labor a profit-maximizing firm would hire in a perfectly competitive labor market 3. Given a graph or a table, determine the market wage and the quantity of labor a profit-maximizing firm would hire in a imperfectly competitive labor market 4. Given a graph or table, determine the price and quantity of economic rent and interest in land and capital markets. 5. Define how firms determine the optimal input mix 6. State the Cost-Minimizing Rule for hiring inputs 7. Define the marginal productivity theory of income distribution 8. Identify the sources of wage disparities and the role of discrimination   III. Graphs and Diagrams to be mastered   1. Factor Distribution of Income 2. Value of the Marginal Product (VMP) 3. Shifts of the VMP curve 4. Demand, Supply and Equilibrium of Land and Capital Markets 5. Labor Demand, Labor Supply and Equilibrium in the Perfectly Competitive Labor Market 6. Labor Demand, Labor Supply and Equilibrium in the Imperfectly Competitive Labor Market   IV. Formulas to be mastered   1. Cost Minimization Rule—MPL/Wage = MPK/Rental Rate |
| Week 9 | **Section 14 Textbooks pages**  Opening Section 14 p. 723  Module 74: Introduction to Externalities p. 724-730    Module 75: Externalities and Public Policy p. 731-741  Module 76: Public Goods p. 743-753  Module 77: Public Policy to Promote Competition p. 754-760  Module 78: Income Inequality and Income distribution p. 761-773  Section 7 Summary | 1. *Strive for a 5:* Ray and Mayer   Module 74 Activities p. 284-286  Module 75 Activities p. 287-289  Module 76 Activities p. 290-293  Module 77 Activities p. 294-296  Module 78 Activities p. 297-299  Section 14 Before You Take the Test  Featured Graphs: Supply and Demand with Externalities p. 300-301  Problems p. 301-306  Review Questions p. 306-309 | Govt. & Externalities  PPT. | Objectives   1. List the economic functions of government 2. Define a public good 3. Discuss the free rider problem 4. Explain negative and positive externalities and give examples of each 5. Identify the government policies employed when a firm exercises monopoly power or is a natural monopoly 6. Identify the possible remedies for market failures that might be employed to achieve an optimal allocation of resources   III. Graphs and Diagrams to be mastered   1. Socially Optimal Quantity of Pollution 2. Negative Externality (MSB<MSC) overallocation 3. Positive Externality (MSB>MSC) underallocation 4. Environmental Standards versus Emissions Taxes as public policy 5. Positive Externalities and Consumption 6. Negative Externalities and Production 7. Unregulated versus Regulated Natural Monopoly   IV. Formulas to be mastered   1. Coase Theorem 2. MSB = MPB + MEB 3. MSC = MPC + MEC |