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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. 1Module 1: The Study of Economics p. 1-9 Module 2: Introduction to Macroeconomics p. 10-15 Module 3: The Production Possibilities Curve Model p. 16-22Module 4: Comparative Advantage and Trade p. 23-30Section 1 Summary p. 31-33 Section 1 Appendix: Graphs in Economics p. 34-45 | Modules 1, 3,51. *Strive for a 5*: Ray and Mayer

Module 1 Activities p. 2-6Module 2 Activities p. 7-10Module 3 Activities p. 11-13Module 4 Activities p. 14-16Section 1 Before You Take the Test  Featured Graph: Production Possibility Curve p. 16-18Problems 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 costB. Production possibilities curveC. Comparative advantage, absolute advantage, specialization and tradeD. Economic systemsE. Property rights and the role of incentivesF. Marginal analysis |
| Week 2 | **Section 2 Textbooks pages** Opening: Section 2 p. 47Module 5: Introduction to Demand p. 48-58 Module 6: Supply and Equilibrium p. 59-70 Module 7: Changes in Equilibrium p. 71-76Module 8: Supply and Demand Controls (Ceilings and Floors) p. 77-88 | 1. *Strive for a 5:* Ray and Mayer

Module 5 Activities p. 36-40Module 6 Activities p. 41-44Module 7 Activities p. 45-47Module 8 Activities p. 48-50Module 9 Activities p. 51-53Section 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 MayerModule 46 Activities p. 80-82Module 47 Activities p. 83-85Module 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 equilibrium2. Determinants of supply and demand3. Price and quantity controls4. Elasticitya. Price, income and cross-price elasticities of demandb. Price elasticity of supply5. Consumer surplus, producer surplus and market efficiency6. Tax incidence and deadweight lossB. Theory of consumer choice (5–10%)1. Total utility and marginal utility2. Utility maximization: equalizing marginal utility per dollar3. Individual and market demand curves4. Income and substitution effects |
| Week 3 | Module 9: Supply and Demand Quantity Controls p. 88-94Section 2 Summary p. 94-99**Section 9** Opening: Section 9 p. 457Module 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. 495-510Module 51: Utility Maximization p. 511-522Section 2 Summary p. 522-528 | Continue Unit 2Module 49 Activities p. 89-91Module 50 Activities p. 92-94Module 51 Activities p. 95-98Section 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 Objectives1. 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 mastered1. Price Elasticity of Demand calculation
2. Cross-Price Elasticity of Demand calculation
3. Income Elasticity of Demand calculation
4. Price Elasticity of Supply calculation
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| Week 4 | **Section 10 Textbooks pages** Opening: Section 10 p. 529Module 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 Market1. *Strive for a 5:* Ray and Mayer

Module 58 Activities p. 174-175Module 59 Activities p. 176-179Module 60 Activities p. 180-182Module 61 Activities p. 183-185 | Product Market PPT. | II. Student objectives1. 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
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| Week 5 | Module 57: Introduction to Market Structure p. 567-576 **Section 10** Summary p. 577-581**Section 11** Opening: Section 11 p. 583Module 58 Introduction to Perfect Competitionp. 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. 186-188Module 63 Activities p. 189-191Section 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 mastered1. 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 mastered1. 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
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| Week 6 | **Section 12 Textbooks pages** Opening Section 12 p. 637Module 64: Introduction to Oligopoly p. 638-643Module 65: Game Theory p. 644-651Module 66: Oligopoly in Practice p. 652-658 Module 67: Introduction to Monopolistic Competition  p. 659-667Module 68: Product Differentiation and Advertising p. 668-673Section 12 Summary p. 673-677  | 1. *Strive for a 5:* Ray and Mayer

Module 64 Activities p. 214-216Module 65 Activities p. 217-219Module 66 Activities p. 220-222Module 67 Activities p. 223-225Module 68 Activities p. 226-227Section 12 Before You Take the Test Featured Graphs: Payoff Matrices and Monopolistic Competition p. 228-229Problems 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 mastered1. 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 mastered1. Herfindahl-Hirschman Index (Section 10)
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| Week 7 | **Section 6 Textbooks pages** Opening Section 13 p. 679Module 69: Introduction and Factor Demand p. 680-689 Module 70: The Markets for Land and Capital p. 690-694Module 71: The Market for Labor p. 695-705 | * 1. *Strive for a 5:* Ray and Mayer

Module 69 Activities p. 250-252Module 70 Activities p. 253-254Module 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 mastered1. 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 mastered1. Cost Minimization Rule—MPL/Wage = MPK/Rental Rate
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| Week 8 | Factor MarketsModule 72: The Cost-Minimizing Input Combination p. 706-710Module 73: Theories of Income Distribution p. 711-718Section 13 Summary p. 718-721  | Activities p. 259-260Module 73 Activities p. 261-263Section 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.
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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 mastered1. Cost Minimization Rule—MPL/Wage = MPK/Rental Rate
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| Week 9 | **Section 14 Textbooks pages**Opening Section 14 p. 723Module 74: Introduction to Externalities p. 724-730 Module 75: Externalities and Public Policy p. 731-741Module 76: Public Goods p. 743-753Module 77: Public Policy to Promote Competition p. 754-760Module 78: Income Inequality and Income distribution p. 761-773Section 7 Summary  | 1. *Strive for a 5:* Ray and Mayer

Module 74 Activities p. 284-286Module 75 Activities p. 287-289Module 76 Activities p. 290-293Module 77 Activities p. 294-296Module 78 Activities p. 297-299Section 14 Before You Take the Test Featured Graphs: Supply and Demand with Externalities p. 300-301Problems p. 301-306 Review Questions p. 306-309 | Govt. & ExternalitiesPPT. | Objectives1. 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 mastered1. 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 mastered1. Coase Theorem
2. MSB = MPB + MEB
3. MSC = MPC + MEC
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