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| ADVANCED PLACEMENT:  Macroeconomics  Mr. Espinoza  Emilio.Espinoza@Sausd.us  Emilio.Espinoza@Sausdlearns.net |
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**Test Date:**

Monday, May 10th Afternoon

**Textbook:**

McConnell, Campbell R. and Stanley L. Brue: *Economics: Principles, Problems, and Policies* 7th Edition

\*Primary Workbook used: Advanced Placement Economics/Macroeconomics: Council for Economic Education

**Supplemental Print and Online Resources & Materials:**

Teacher website Google Classroom Shmoop Quizlet

Newspaper/Internet/Radio News articles (*Wall Street Journal, New York Times, Washington Post &The Economist, NPR*)

AP Exam Review Book (optional but highly recommended)

**Course Overview:**

The objective of this course is comprehension and application of both general concepts essential for understanding and interpreting Macroeconomics as well as in depth analysis of specific examples and cases, with a clear expectation of taking and passing the Macroeconomics Advanced Placement exam in May. The focus of the class is on the principles of economics and the application of those principles to the economic system as a whole. In addition, of primary importance will be the study of national income, price-level determination, economic performance measures, the financial sector, stabilization policies, economic growth and international economics, while at the same time developing important skills in critical thinking, time management, and problem solving. **Extensive reading, writing and discussion will be emphasized in these areas as well as the interpretation of data.**

The curriculum for this class reflects the content of an introductory university course in Macroeconomics. You will be expected to be self-motivated, thoughtful, and to complete assignments without constant monitoring. Due to the amount of curriculum to be covered, this course is largely based in lecture and discussion. Presentation of the material is often accomplished by the use of PowerPoint presentations, video clips, and other visuals such as graphs, statistical tables, as well as primary source readings and documents. **Students are “trained” in the analysis and critical reading of primary and secondary source documents particular to Macroeconomics which will assist them in evaluating information, such as current events and commentary as well as interpretation of numeric, statistical, and graphic information for insight into economic trends. These skills will be practiced and assessed regularly through both formal and informal writing of *Free Response Essays* for each unit.** To this end, each student is required to create a ***Unit Journal*** which will include their reading and class notes, content and academic vocabulary logs & quizzes, **problem sets,** reflection paragraphs as well as their free response outlines and essays. In addition to teacher evaluation, students will participate in self-evaluation, and peer evaluation exercises. Students are **required** to provide a valid email address that they check regularly.

**Critical Themes**

1. Basic Economic Concepts
2. Measurements of Performance
3. National Income & Price Determination
4. Financial Sector
5. Inflation, Unemployment & Stabilization Policies
6. Economic Growth & Productivity
7. Open Economy: International Trade & Finance

**Course Requirements**

Your grade will be based on the number of total earned and will include the following;

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| **Homework**   * Reading assignments (textbook, primary sources, current events, graphing, charts) * Reading notes (Cornell notes, Outlines, Graphic Organizers, Film Notes) * Problem Sets * Quizlet Review * **Free Response** * **Essays (Approx. 1 per Unit)** | **Class Work**   * Warm Ups and Pop Quizzes * Graphing & problems practice * Asks and answers questions * Contributes to debates and Socratic discussions * Attend review and tutoring workshops |
| **Traditional Assessments**   * Unit Journals * Reading Comprehension & Vocabulary Application Quizzes * Chapter & Unit tests (objective and essay) * Group assignments & projects * **Free Response Essays (Minimum 1 per Unit)** * Semester finals | **Writing Prompts**   * Take home & In-class Free Response QuestionsShort responses * Letters and editorials * Document Based Questions |

**Course Outline:**

Each unit is an approximate and may vary from 1-3 days. The following unit outlines come from the *AP Economics Course Description.*

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| **UNIT I: Basic Economic Concepts (8-12%)** |

A. Scarcity, choice, and opportunity costs

B. Production possibilities curve

C. Comparative advantage, specialization, and exchange

D. Demand, supply, and market equilibrium

E. Macroeconomic issues: business cycle, unemployment, inflation, growth

* McConnell, Chapters 1 including Appendix, 2, 3
* Supplemental Readings & Resources:
  + *“The Road Not Taken”*-Robert Frost (Opportunity Cost Activity)
* Data Analysis & Graphing:
  + Production possibilities curve (Frontier, Demand and supply curves showing equilibrium, Demand and supply curves showing shifts in demand/supply), Create Supply & Demand Curves
* McConnell, Chapters 6
* Supplemental Readings & Resources:
  + http://www.ncee.net
  + http://www.reffonomics.com
* Data Analysis & Graphing:
  + Import & Export Graphs & U.S. Tariff Rates

**\*\*Unit Vocabulary Quiz, Unit Journal, Unit Exam & Free Response Question**

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| **UNIT II: Measurements of Economic Performance (12–16%)** |

A. National income accounts [4–6%]

1. Circular flow

2. Gross domestic product

3. Components of gross domestic product

4. Real versus nominal gross domestic product

B. Inflation measurement and adjustment [4–5%]

1. Price indices

2. Nominal and real values

3. Costs of inflation

C. Unemployment [4–5%]

1. Definition and measurement

2. Types of unemployment

3. Natural rate of unemployment

* McConnell, Chapter 7
* Supplemental Readings & Resources:
  + The World Fact Book: GDP <https://www.cia.gov/library/publications/the-world-factbook/fields/2195.html>
  + http://www.bls.gov
* Data Analysis & Graphing:
  + U.S. Domestic Output and Flows of Expenditure and Income
* McConnell, Chapter 8
* Supplemental Readings & Resources:
  + http://www.reffonomics.com
  + http://www.bls.gov
  + http://www.ncee.net
* Data Analysis & Graphing:
  + Average Annual Growth Rates, Business Cycle, U.S. Recession from 1950 & Unemployment Rates

**\*\*Unit Vocabulary Quiz, Unit Journal, Unit Exam & Free Response Question**

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| **UNIT III: National Income & Price Determination (10–15%)** |

A. Aggregate demand [5–10%]

1. Determinants of aggregate demand

2. Multiplier and crowding-out effects

B. Aggregate supply [7–10%]

1. Short-run and long-run analyses

2. Sticky versus flexible wages and prices

3. Determinants of aggregate supply

C. Macroeconomic equilibrium [3–5%]

1. Real output and price level

2. Short and long run

3. Actual versus full-employment output

4. Economic fluctuations

**\*CHAPTERS 9 & 10 EXTRA CREDIT**

* McConnell, Chapter 11
* Supplemental Readings & Resources:
  + *General Theory of Employment, Interest and Money*-John Maynard Keynes
  + http://www.reffonomics.com
  + http://www.ncee.net
* Data Analysis & Graphing:
  + Consumption & Saving Schedules & Investment demand curve
* McConnell, Chapter 12
* Supplemental Readings & Resources:
* The Economist, May 2009 *Unemployment in Spain: Not working*
* Data Analysis & Graphing:
  + Aggregate demand and short run aggregate supply curve & Aggregate demand and long run aggregate supply curve

**\*\*Unit Vocabulary Quiz, Unit Journal, Unit Exam & Free Response Question**

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| **UNIT IV: Financial Sector (15–20%)** |

A. Money, banking, and financial markets [7–15%]

1. Definition of financial assets: money, stocks, bonds

2. Time value of money (present and future value)

3. Measures of money supply

4. Banks and creation of money

5. Money demand

6. Money market

7. Loanable funds market

B. Central bank and control of the money supply [35%]

1. Tools of central bank policy

2. Quantity theory of money

3. Real versus nominal interest rates

C. Fiscal and monetary policies [15–20%]

1. Demand-side effects

2. Supply-side effects

3. Policy mix

4. Government deficits and debt

* McConnell, Chapters 13
* Supplemental Readings & Resources:
  + *The Banana Parable*- from Keynes’ *A Treatise on Money*
  + Wall Street Journal: <http://online.wsj.com/home-page>
* Data Analysis & Graphing:
  + Money Market & Loanable Funds Market
* McConnell, Chapters 16 (Selected Pages Only)
* Supplemental Readings & Resources:
  + http://www.reffonomics.com
  + Federal Reserve Bank: <http://www.federalreserve.gov/OTHERFRB.HTM>
  + The Fed Today Video
* Data Analysis & Graphing:
  + Effects of Changes in Federal Reserve Ratio

**\*\*Unit Vocabulary Quiz, Unit Journal, Unit Exam & Free Response Question**

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| **UNIT V: Inflation, Unemployment, & Stabilization Policies (20–30%)** |

A. Inflation and unemployment [5–10%]

1. Types of inflation

a) Demand-pull inflation

b) Cost-push inflation

2. The Phillips curve: short run versus long run

3. Role of expectations

* McConnell, Chapters 15
* Supplemental Readings & Resources:
  + Wall Street Journal: <http://online.wsj.com/home-page>
  + Economist, August 2009: Economic & Financial Indicators <http://www.economist.com/markets/indicators/displaystory.cfm?story_id=14222249>
* Data Analysis & Graphing:
  + Expansionary & Contractionary Fiscal Policy
  + Aggregate demand/aggregate supply model Phillips curve, AD-AS Model & Inflation Rates & Unemployment
* McConnell, Chapters 18 & 19
* Supplemental Readings & Resources:
  + Wall Street Journal: <http://online.wsj.com/home-page>
* Data Analysis & Graphing:
  + Public Debt & Federal Budget Deficits & Surpluses

**\*\*Unit Vocabulary Quiz, Unit Journal, Unit Exam & Free Response Question**

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| **UNIT VI: Growth & Productivity (5–10%)** |

A. Investment in human capital

B. Investment in physical capital

C. Research and development, and technological progress

D. Growth policy

* McConnell, Chapter 17
* Supplemental Readings & Resources:
  + Wall Street Journal, August 2009: Can You Afford to Hire <http://online.wsj.com/article/SB125025788291832105.html>
  + www.econedlink.org
* Data Analysis & Graphing:
  + Production possibilities curve & Aggregate demand/aggregate supply model

**\*\*Unit Vocabulary Quiz, Unit Journal, Unit Exam & Free Response Question**

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| **International Trade & Finance (10-15%)** |

E. Balance of payments accounts

1. Balance of trade

2. Current account

3. Capital account

F. Foreign exchange market

1. Demand for and supply of foreign exchange

2. Exchange rate determination

3. Currency appreciation and depreciation

G. Net exports and capital flows

H. Links to financial and goods markets

* McConnell, Chapter 16 (Selected Pages Only)
* Supplemental Readings & Resources:
  + NAFTA Document
  + Battle in Seattle Video Clips
* Data Analysis & Graphing: Trading Possibility Lines and Gains
* McConnell, Chapters 37 & 38
* Supplemental Readings & Resources:
  + Dollars & Sense: *Currency Speculation, How Great is the Danger?* <http://www.dollarsandsense.org/archives/1998/0598weller.html>
  + U.S. International Trade Commission: <http://www.usitc.gov/>
* Data Analysis & Graphing:
  + Production possibilities and Foreign exchange market, Current Exchange rate tables & U.S. Trade Deficit

**\*\*Unit Vocabulary Quiz, Unit Journal, Unit Exam & Free Response Question**

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| **Review** |

Review for AP Macroeconomics Exam and final exam.

Culminating Project