

Advanced Placement United States Government  
and  
Politics/Honors Economics

Welcome to AP US Government and Politics and Economics-Honors. This is a year-long integrated course with an emphasis on AP US Government and politics. We will begin the first semester with a study of economics. In order to facilitate our course of study we will begin with a **summer study assignment**. You will need to go to the **bookroom** before summer and check out an *Economics* book to complete the assignment. This assignment will be due on the **first day** of the new school year. There will also be a **comprehensive exam** on the summer assignment material on the **first Friday** of the new school year. Have a great and restful summer as you follow the political events and observe our government.

Mr. Warren

Chapter 1 Define and/or answer the following:

Capital

Factors of production

"Guns vs. butter"

Opportunity cost

Competition

What is the purpose of a production possibilities graph?

Why are all goods and services scarce?

Chapter 2 Define and/or answer the following:

Adam Smith

Economic system

Self-interest

Privatize

Laissez-faire

Safety net

Free enterprise

Socialism

What does specialization do for an economy?

What are the advantages of a free market?

What is the purpose of competition?

Chapter 14 Define and/or answer the following:

Who has the power to tax?

Revenue

For the following know a definition and example:

Progressive tax

Proportional tax

Regressive tax

Excise tax

What is the largest source of federal revenue?

What does FICA fund? Who receives the benefits?

Mandatory spending

Discretionary spending

Entitlements

Advanced Placement United States Government  
and  
Politics/Honors Economics

What is the largest federal expenditure?

Chapter 15

Define the following:

Fiscal policy

Federal budget

Fiscal year

Office of Management and Budget (OMB)

Congressional Budget Office (CBO)

Appropriations bill

Classical economics

Demand-side economics

Keynesian economics

Supply-side economics

Balanced budget

Budget surplus

Budget deficit

Figure 15.1 List the steps of the Federal Budget Process

Skills for Life, p. 394, Answer 1-3

Chapter Assessment, p. 411, Answer 22-24

Chapter 16

Define and/or answer the following:

Monetary policy

Monetarism