

## Syllabus A.P. Macroeconomics

The purpose of an Advanced Placement course in Macroeconomics is to give students a thorough understanding of the principles of economics that apply to national income and price determination, economic performance measures, economic growth, and international economics. The course focuses on the four main players in the economy: the households, the business, the government and the international sector.

### Materials:

In order to be fully prepared, students are expected to have their electronic device, earphones, flash drive, notebooks (one with pockets to hold handouts), and pens or pencils in class every day. You will be advised ahead of time if you need any additional materials.

### Grading Procedures:

Students will be assessed in a variety of ways. This may include but not be limited to homework, worksheets, quizzes, tests, daily work, projects (both individual and group), and a final exam. The breakdown of these grades will be as follows:

Unit Exams, Quizzes, projects, essays:	40%
Daily work/Homework:	40%
Final Exams/Milestones	20%

At the end of the semester the students will have ten points added on to their class average. The reason for this is that since this is an AP class the majority of students will find that their grades are around ten points lower than they would receive in an academic class.

**Students and parents must understand up front that this is a college level class.** As such, **students will be expected to spend a great deal more time on this class** than they would in an ordinary class. The very nature of the economics makes it almost like a foreign language. It is very important for the student to work on economics daily or they will ultimately get behind and will not be able to catch up. You will have to follow along as I show you the graphs. On the AP exam you will be expected to *generate, interpret, label, and analyze graphs, charts, and data to describe and explain economic concepts.*

### Texts:

McConnell, C. R., Brue, S. L., & Flynn, S. M. (2009). *Economics: Principles, problems, and policies* (18th ed.). Boston: McGraw-Hill Irwin.

## CLASSROOM RULES AND PROCEDURES

### School Policies/General Information:

- All school policies will apply in the classroom. This includes the policy on food, drink, candy and gum in the classroom.

### Class Preparation:

- Students are expected to be in their assigned seats when the bell rings.

### **Classroom Behavior:**

- This class is conducted like a college level classroom. You are expected to participate in all activities.

### **Homework:**

- Homework will be a part of this class. If you have an excused absence, pre assigned work is due the day you return. No work will be accepted for unexcused absences.

### **Grading:**

- Students with excused absences will have five class days to makeup tests or exams. Failure to makeup a test within five days will result in a zero. **Makeup work is your responsibility.**

High school students tend to study independently while college students tend to study in groups. This is a college level class. Study in groups!!!. However, honesty is expected on all work. Only your work will be accepted.

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## **Macro Unit One: Basic Economic Concepts**

Day 1: Intro/Syllabus, Assign Books

Show Website Talk about reading the book

Day 2: Lesson 1: Definitions (Economics, Scarcity, Opportunity Cost, Factors of Production)

Read Chapter 1

Day 3: Discuss Chapter 1 Reading

**Lesson 2:** (Opportunity Cost, Factors of Production, Production Poss. Curves)

Day 4: Concept of Marginal

Day 5: Broad social goals of economic system (students read on their own)

Day 6: Make sure they understand Command, Traditional and Market economy

Day 7: Absolute and Comparative Advantage

Day 8: Complete Absolute and Comparative Advantage

Day 9: Circular Flow

Day 10: Terms of Trade

Day 11: Review and finish any unanswered material.

Start Unit 2???

Day 12: MC TEST

Unit 1 Readings.

Circular Flow and Production Possibilities Curve 40-41

**Macro Unit 1B: Supply and Demand**

- Day 1: Market, Demand, and Quantity demanded, Demand Schedule,
- Day 2: Demand Curve, Income and Substitution Effect
- Day 3: Quantity Demanded and Demand
- Day 4: Supply and Determinants of Supply, equilibrium point, surplus,
- Day 5: Shortage, change in S and change in D
- Day 6: Floors, Ceilings, shifting both S and D
- Day 7: Quiz: Drawing Supply and Demand Curve
- Day 8: Changes in both supply and demand
- Day 9: Supply and Demand Quiz
- Day 10: Exchange rates
- Day 11: Complete exchange rates  
Catch up date or start new unit?
- Day 12: Unit 1B Multiple Choice

Read the following pages in conjunction with the topics presented:

Demand 48-53  
Utility 4  
Supply and equilibrium 53-56  
Consumer and Producer Surplus 188-189  
Elasticity 77-90

**Macro Unit 2: Economic Indicators and the Business Cycle**

- Day 1: Allow students to learn GDP on their own from notes.  
National Debt v. Deficit
- Day 2: Circular Flow Diagram and disturbances in it.
- Day 3: Expenditures and Income Approach
- Day 4: Nominal v Real GDP  
GDP per capita
- Day 5: Price Index
- Day 6: Business Cycle  
Start unemployment if time.
- Day 7: Unemployment

Day 8: Wrap up  
Start next unit.

Day 9: Unit 2 MC Test

Read 486-492 GDP  
Read 535 CPI  
Read 497-499 Real v Nominal  
Read 429-434 Unemployment

### **Macro Only Unit 3: National Income and Price Determination**

Day 1: Define Aggregate Demand  
Determinants of Aggregate Demand

Day 2: Aggregate Supply Curve  
Determinants of Aggregate Supply

Day 3: Equilibrium

Day 4: Intro to AS  
LRAS

Day 5: changes in AS and AD, LRAS and PPC, and LRAS

Day 6: discuss importance of graphing.  
Keynes v Classical approach

Day 7: exchange rates

Day 8: Changes in AS and AD, LRAS, and LRAS and PPC  
Go over Unit 1B test

Day 9: Quiz  
Multiplier

Day 10: 25 Start Fiscal Policy up to stagflation

Day 11: Finish Fiscal Policy and balance budget multiplier

Day 12: (Tools of Fiscal Policy)

Day 13: Discretionary and Automatic Policy

Day 14: Keynes v Hayek Rap

Day 15: M.C. Test

### **Macro Unit 4: Financial Sector**

Day 1: Functions and Definitions of Money, Money and Prices,  $MV = PQ$

Day 2: Start Creation of money by banks.

Day 3 Creation of Money by Banks

Day 4: Lesson 3 (Multiple Bank Expansion and creation of money)

Day 5: Go over Unit 3 test  
Asset and Trans. Demand and Tools of the Fed

Day 6: Tools of the Fed, Bond Simulation

Day 7: What are interest rates?

Day 8: Complete Money Market and Tools of the Fed

Day 9: Complete Tools of the Fed

Day 10: What are Interest Rates?

Day 11: Loanable funds market  
Crowding Out Effect

Day 12: Exchange rates  
crowding out (easy)

Day 13: exchange rates, monetary and Fiscal Policy

Day 14: loanable funds market (hard)

Day 15: Complete Notes from previous days

Day 16: exchange rates (hard)

Day 17: Complete activities from Day 12

Day 18: Practice FR Questions

Day 19: Go over FR Questions

Day 20: Unit 4 MC Test

Readings from this unit  
302 Federal Reserve  
662 Federal Funds Rate  
636-643 Money and Inflation

### **Macro Economics Unit 5: Long-Run Consequences of Stabilization Policies**

Day 1: This is the start of a review.  
Phillips curve and crowding out effect

Day 2: Unit 5 Lesson 2 (Economic Growth)

Day 3: Barriers to Trade and Effects of a Tariff (graph)

Day 4: Balance of Payments

Day 5: balance of payments

Day 6: Practice FR Questions

Day 7: MC/FR combined Test

725-730 Phillips curve

505-524 Economic Growth

**Macro Economics Unit Unit 6: Open Economy – International Trade and Finance**

6.1 Balance of Payments Accounts

6.2 Exchange Rates

6.3 The Foreign Exchange Market

6.4 Effect of Changes in Policies and Economic Conditions on the Foreign Exchange Market

6.5 Changes in the Foreign Exchange Market and Net Exports

6.6 Real Interest Rates and International Capital Flows