

# Half Hollow Hills CSD

## AP ECONOMICS SUMMER ASSIGNMENT 2017 - 2018

**THIS IS A COURSE REQUIREMENT! THIS ASSIGNMENT WILL COUNT AS 15% OF  
YOUR FIRST QUARTER GRADE.**

**Due on Friday, September 15, 2017**

Visit the following web site: <http://www.slideshare.net/rafiqsh/economix>

Using *Economix*, complete the following. All work needs to be handwritten.

### **Multiple Economic Roles**

1. Trace the crucial idea that most consumers are also workers as it appears in different contexts throughout the book (pages 32, 122, 139, 193). Why has it been easy for some people to lose track of this fundamental truth?
2. How has doing so led to problems in economic theory or in governmental policy?

### **The Limits of Theory**

1. What does Goodwin suggest is the danger, and appeal, of substituting economic models for economic reality? (pages 40–41) For example, why does he stress Ricardo's importance, but then note that "we don't live in that model"? (p. 61)
2. Why might economic policy debates remain "stuck" while economic thought itself advances? (pages 200, 270)
3. In what ways does *Economix* show that that no single theory can adequately explain the complexity of economics in the real world?

### **The Role of the State**

1. How does the experience of railroad-building in the U.S. (page 75) hint at both the positives and negatives of a "mixed economy"? Similarly, which problems did the New Deal solve (pages 115) and which new ones did it potentially create?
2. In the context of the Glass-Steagall Act (page 117), Goodwin suggests that "perfect regulation" involves "simple rules that private incentives with the public interest." If this is true, what regulations in the late twentieth and early twenty-first centuries might have averted the financial crisis of 2008? (e.g., page 248)
3. In contemporary society, "We take [lots of] things for granted, but many of them started as socialist experiments" (page 66). Do the supporting examples for this assertion make you re-evaluate your beliefs about socialism and the government's role in our day-to-day lives? Why or why not?
4. How did the problem of conflating theory and practice (focusing on "how an ideal economy should work, not how a real economy does work") drive both Marxists and neoliberals to similar conclusions about the eventual role of the state? (p. 241)

## Connecting Past to Present

1. Revisit the Business Week quote from 1956 (page 130). Could it apply to American society today, or certain segments of it? Why or why not?
2. Compare and contrast protest movements of the recent past (Seattle's WTO protestors, pages 239, pages 245 – 46), the distant past (The Boston Tea Party, page 32), and those at the time of publication (Occupy Wall Street, pages 273 – 75; the Tea Party, page 271). What are some areas of commonality?
3. Are market "bubbles" essentially always the same? Be sure to provide historical evidence for your answer.
4. In your opinion, was President Obama wise to replicate the Keynesian spending policy of FDR (page 268)?
5. "Blasts from the Past" (pages 276-277) explicitly draws parallels between history and contemporary conditions. What other examples of this can you provide based upon your reading of *Economix*?