**AP Macro Economics**  **Course Syllabus 2015-16**

**Mr. Craig Sanders**

**Location:** Room D103

**Contact:** craig.sanders@fortbendisd.com or (281) 327-5200 (email is preferred)

**Teacher Website:** Please visit Mr. Sanders’ section of the RPHS webpage for links. All assignments, reviews, class power points and other materials will be posted on this course’s Edmodo page. Use the group code **dbtk55** at <http://www.edmodo.com> to join this group.

**Conference period**: 7th (1:40-2:30)

**Tutorials:** Tuesdays and Thursdays after school (2:30-3:00) or by appointment.

**Textbook:**

Dirk Mateer and Lee Coppock. *Principles of Economics,*1st edition. Norton, 2014.

Online access to textbook - <https://digital.wwnorton.com/prineco1>

**Course Description:**

AP Macroeconomics focuses on economic principles as a whole, observing the effects of economics on a national and global level. Topics discussed in this course will reflect the material included in the AP Course Description from the College Board. We will begin the course by going over some of the building blocks of economics, including supply and demand, then move to a greater observation of national income, GDP, economic indicators, inflation and unemployment, money and banking, the role of the government in the economy, and the United States and world trade.

**Reading & Additional Coursework Requirements:**

You will have textbook reading assignments for this class almost every day. Please keep up with your readings.

There will also be video assignments you will be required to complete outside of class. In class, you will work on completion of graphing and interpretation exercises in Morton, John S. *Advanced Placement Economics*, 4th ed. New York, NY: National Council on Economic Education, 2010 and additional exercises from the NCEE and other sources as necessary.

**Materials**

You will need the following supplies for this class:

Textbook (textbooks to be taken out by students and typically do not need to be brought to class)

One-subject spiral notebook (100 page 8 ½ X 11 in.) **Each of the vocabulary terms in units as listed in this syllabus need to be defined in your notebook before that unit test**. **Graphs and formulas will also be maintained in this notebook.**

Blue or black ink pens for assignments

**Grading Procedures:**

**Daily grades (50%)**

 Practice AP Free Response Questions

Vocabulary and/or Reading Quizzes (can use Chapter-at-a-Glance review sheet)

 In-class Assignments

 Homework Assignments

**Major grades (50%)**

Exams (up to Seven Unit Exams)

 Projects

**The AP Macro Economics Exam: Date: Wednesday, May 11th, 2016 (PM)**

The AP Macro Test

The AP Macro Test is less like the Social Studies AP test you’re used to, and more like the AP science tests. The make-up of the test is as follows:

* 60 multiple choice questions (70 minutes)
  + The multiple choice questions cover the concepts listed in the scope and sequence. The percentage of each section in the multiple choice portion is also given.
* Free Response Section (60 minutes- 10 minute reading period, 50 minute answer portion)
  + 3 required free-response questions, one long, two short
  + Unlike other Social Studies exams, these questions are pretty short answer. You aren’t expected to write essays, just answer the questions asked. Often, these questions will involve a graph (or two or three!) and your ability to show and interpret change. Complete sentences are not required, but may help the reader understand you better.
  + We will practice for the free response section using Timed Writings.

The multiple choice section counts for 2/3 of your exam score, and the free response makes up the final third.

**Make Up Assignments / Late Work**

Make up work due to your absence in class is the student’s responsibility. FBISD has revised its re-testing procedure for AP courses so that major grades under 75 can now be boosted to a maximum of 75 if students comply with tutorial requirements before the revised test attempt. Please refer to the student handbook and ask me any questions!

**Honors Course Grading and Advantages**

As an honors course, you are being rewarded for your enrollment in this course in several ways, including a GPA boost and a favorable impression upon college admission applications. Be forewarned, however, that A’s are hard-earned in this course. Please do not waste my time or yours at the end of the course for requests for grade boosts as they will not be awarded. Take advantage of any extra-credit opportunities that may arise during the year, meet all class deadlines, keep up with your reading assignments, and you will do fine in this course!

**What to Expect**

 This course is very challenging. Quite frankly, if this is the only honors course you are enrolled in, you should probably consider taking advanced economics instead. Engaged attention and enthusiastic participation on a daily basis is encouraged and expected.

 This is a college-level, Advanced Placement course. The workload is considerably more demanding than the regular Economics class. Students considering a level change should be aware of the deadline (Friday, Oct. 30, 2015 for the fall semester).

The students enrolled in this class are primarily seniors and are expected to perform and behave as adults who will soon be in college or the professional workplace.

 Disrespect in any form will not be tolerated inside my classroom.

I fully enforce the rules of FBISD and RPHS. It’s nothing personal; I’m just doing my job!

Course Outline

**Unit One: Basic Economic Concepts**

Mateer/Coppock Ch. 1, 2, 3, 5, and 6 -- **3 weeks (Aug. 24 – Sept. 11, 14 days)**

AP Outline:

Basic Economic Concepts (8-12% of exam)

* Scarcity, Choice, and Opportunity Costs
* Production Possibilities Curve
* Comparative Advantage, Absolute Advantage, Specialization, and Exchange
* Demand, Supply, and Market Equilibrium

*Key Concepts*: definition of economics, features of economic perspective, role of theory in economics, distinction between micro and macro, categories of resources, economizing problem, production possibilities analysis, gains from specialization and division of labor, what demand and supply are and what affects them, how supply and demand determine equilibrium, how changes in supply and demand affect equilibrium, how government can affect equilibrium, role of comparative advantage in trade

*Graphs:* production possibilities curve, demand and supply curves (shifts and equilibrium)

*Vocabulary:* economics, economic perspective, opportunity costs, utility, marginal analysis, economic principle, *ceteris parabis*, microeconomics, macroeconomics, aggregate, positive economics, normative economics, economizing problem, budget line, economic resources- land, labor, capital, entrepreneur, law of increasing opportunity costs, specialization, division of labor, demand, law of demand, diminishing marginal utility, types of goods- normal, inferior, substitute, complementary, supply, law of supply, equilibrium, surplus, shortage, price ceiling, price floor, comparative advantage, terms of trade

**Unit Two: Measurement of Economic Performance**

Mateer/Coppock Ch. 19, 20 and 21 -- **4 weeks (Sept. 14 – Oct. 9, 19 days)**

AP Outline:

Measurement of Economic Performance (15-20% of exam)

* National Income Accounts- Circular Flow, Gross Domestic Product, Components of Gross Domestic Product, Real versus Nominal Gross Domestic Product
* Inflation Measurement and Adjustment- Price Indices, Nominal and Real Values, Costs of Inflation
* Unemployment- Definition and Measurement, Types of Unemployment, Natural Rate of Unemployment

*Key Concepts:* measuring gross domestic product, relationships between GDP, domestic product, national income, personal income, and disposable income, nature and function of a GDP price index, difference between nominal and real GDP, limitations of measuring GDP, business cycle and its primary phases, how unemployment and inflation are measured, types of unemployment and inflation and their impacts

*Graphs:* circular flow model, business cycle

*Vocabulary:* national income accounting, gross domestic product, intermediate goods, final goods, multiple counting, value added, expenditures approach, income approach, personal consumption expenditures, gross private domestic investment, net private domestic investment, government purchases, net exports, national income, consumption of fixed capital, net domestic product, personal income, disposable income, nominal GDP, real GDP, price index, business cycle, peak, recession, trough, expansion, labor force, unemployment rate, discouraged workers, frictional unemployment, structural unemployment, cyclical unemployment, full-employment rate of unemployment, natural rate of unemployment, potential output, GDP gap, Okun’s law, inflation, consumer price index, demand-pull inflation, cost-push inflation, nominal income, real income, deflation, hyperinflation

**Unit Three: National Income and Price Determination**

Mateer/Coppock Ch. 24, 25, and 26 --- **2 1/2 weeks (Oct. 13-28, 12 days)**

AP Outline:

National Income and Price Determination (10-15% of exam)

* Aggregate Demand (Determinants, Multiplier, and Crowding-Out Effects)
* Aggregate Supply (Short-Run vs. Long-Run Analysis, Sticky vs. Flexible Wages and Prices, Determinants)
* Macroeconomic Equilibrium (Real Output and Price Level, Short and Long Run, Actual vs. Full-Employment Output, Economic Fluctuations)

*Key Concepts:* how changes in income affect consumption, how changes in interest rates affect investment, why changes in investment increase or decrease real GDP by a multiple amount, aggregate demand and its determinants, aggregate supply and its determinants, how AD and AS determine an economy’s equilibrium price level and level of real GDP, how AD-AS model explains periods of demand-pull inflation, cost-push inflation, and recession

*Graphs:* consumption and savings schedules, investment demand curve, AD-AS model

*Vocabulary:* marginal propensity to consume, marginal propensity to save, expected rate of return, investment demand curve, multiplier, aggregate demand, real-balances effect, interest-rate effect, foreign purchases effect, aggregate supply, short-run aggregate supply curve, long-run aggregate supply curve, equilibrium price level, equilibrium real output

**Unit Four: Financial Sector**

Mateer/Coppock Ch. 28, 29, and 30-- **3 weeks Oct. 29 – Nov. 18, 15 days)**

AP Outline:

Financial Sector (15-20% of exam)

* Money, banking, and financial markets (definition of financial assets, time value of money, measures of money supply, banks and creation of money, money demand, money market, loanable funds market)
* Central bank and control of the money supply (tools of central bank policy, quantity theory of money, real versus nominal interest rates)

*Key Concepts:* functions of money and components of US money supply, how money is backed, makeup of Federal Reserve and banking system, functions and responsibilities of the Federal Reserve, actual and required reserves, creation of money through loans, calculating the money multiplier, how equilibrium interest rate is determined, goals and tools of monetary policy, how Fed controls Federal funds rate, how monetary policy affects GDP, effectiveness and shortcomings of monetary policy, how present value is critical in making financial decisions, quantity theory of money

*Graphs:*money market, loanable funds market

*Vocabulary:* medium of exchange, unit of account, store of value, liquidity, M1, checkable deposits, M2, MMDA, time deposits, MMMF, legal tender, Federal Reserve System, FOMC, fractional reserve banking system, balance sheet, required reserves, reserve ratio, excess reserves, actual reserves, Federal funds rate, monetary multiplier, transactions demand, asset demand, total demand for money, open-market operations, discount rate, expansionary monetary policy, restrictive monetary policy, present value, stocks, bonds, mutual funds

**Unit Five: Inflation, Unemployment, and Stabilization Policies**

Mateer/Coppock Ch. 23 and 31-- **1 week (Nov. 19 – Dec. 2, 5 days)**

AP Outline:

Inflation, Unemployment, and Stabilization Policies (10-15% of exam)

* Fiscal and monetary policies (demand-side effects, supply-side effects, policy mix, government deficits and debt)
* Inflation and unemployment (types of inflation, Phillips curve, role of expectations)

*Key Concepts:* purposes, tools, and limitations of fiscal policy, role of built-in stabilizers, standardized budget, size, composition and consequences of the U.S. debt, relationship between short-run and long-run aggregate supply, how to apply extended AD-AS to inflation, recessions, and economic growth, short-run trade-off between inflation and unemployment

*Graphs:* AD-AS-LRAS model, Phillips curve, Laffer curve

*Vocabulary:* fiscal policy, expansionary fiscal policy, budget deficit, contractionary fiscal policy, budget surplus, built-in stabilizer, progressive tax system, proportional tax system, regressive tax system, standardized budget, cyclical deficit, crowding-out effect, external public debt, public investments, short run, long run, Phillips curve, stagflation, aggregate supply shocks, disinflation, supply-side economics, Laffer curve

**Unit Six: Economic Growth and Productivity**

Mateer/Coppock Ch. 14 and 15 – **1 week (Dec. 3 - 8, 4 days)**

AP Outline:

Economic Growth and Productivity (5-10% of exam)

* Investment in human capital
* Investment in physical capital
* Research and development, technological progress
* Growth policy

*Key Concepts:* institutional structures an economy needs to experience growth and increased standards of living, growth accounting and how growth rates are accounted for, whether growth is desirable and sustainable

*Graphs:* PPF, AD-AS model

*Vocabulary:* economic growth, real GDP per capita, modern economic growth, supply factors, efficiency factor, labor productivity, labor-force participation rate, growth accounting, infrastructure, human capital economies of scale, increasing returns

**Unit Seven: International Trade and Finance**

Mateer/Coppock Ch. 30 and 31 -- **1 ½ weeks (Dec. 9 - 15, 6 days) (leading into finals)**

AP Outline:

Open Economy: International Trade and Finance (15-20%)

* Balance of payment accounts (balance of trade, current account, capital account)
* Foreign exchange market (demand for and supply of foreign exchange, exchange rate determination, currency appreciation and depreciation)
* Net exports and capital flows
* Links to financial and goods markets

*Key Concepts:* why trade happens, how economists analyze trade, how currencies of different nations are exchanged, how the U.S. accounts for international payments it makes and receives, how exchange rates are determined, difference between flexible and fixed exchange rates, causes and consequences of trade deficits

*Graphs:*PPF, foreign exchange market

*Vocabulary:* gains from trade, world price, domestic price, equilibrium world price, tariffs, import quota, strategic trading policy, World Trade Organization, balance of payments, balance on goods and services, trade deficit, trade surplus, balance on current account, capital account, financial account, flexible exchange rate, fixed exchange rate, purchasing-power parity theory, currency interventions, exchange controls, managed floating exchange rates

**Some materials from Unit Seven will also be covered in after-school reviews as we approach the May AP exam.**