

ECONOMICS AP  
GIFTED LEARNINGLINKS  
NORTHWESTERN UNIVERSITY  
SYLLABUS

## Course Description

This course address the central topics of AP Economics including: supply and demand, the theory of the firm, perfect and imperfect competition, the role of the factors of production in free and mixed economies, the role of government, measuring the national economy, fiscal and monetary policy and international trade.

### Course Work

There are 10 units in the course. Each unit will have problems to solve and then a specific evaluation of that unit. There will be no all-encompassing final exam as such. Questions will be posted on the Discussion Board in which the student is expected to participate. Video conferencing will also be used. **It is expected that the student will complete the course within the 9 month period of the starting date.** The problems are graded excellent (+), acceptable (check) and needs improvement (-).

### Course Due Dates

It is expected that the student complete 1/4 of the units within every 2 1/2 month period. You may only submit 1 unit in the last 2 weeks of any 2 1/2 month period as well. Please plan your schedule accordingly

## Course outcomes - Micro

At the completion of AP Microeconomics students will demonstrate an understanding of basic economic concepts. The student will

- a. Provide a working definition of economics that shows an understanding of the ideas of scarcity and choice.
- a. Use the Production Possibilities Curve to demonstrate the concepts of trade-offs and opportunity costs as well as the idea of comparative advantage.
- a. Identify factors that cause long term economic growth and shift the Production Possibilities Curve.
- a. Analyze a business scenario using the concepts of marginal benefit and marginal cost.
- a. Describe and evaluate economic systems and explain how the US economy

fits into these models.

- a. Explain the concepts of supply and demand in relation to price determination.
- a. Explain the concept of elasticity and identify the nature of inelastic and elastic products.
- h. Use price ceilings and floors to see the effects of these on price and quantity.

Reading: Miller: Chapters 1-2 (Unit 1) 3-4 and 20-21 (Unit 2)

III. III. At the completion of AP Microeconomics students will demonstrate an understanding of the theory of the firm. The students will

- a. a. Explain the difference between fixed and variable costs.
- a. b. Calculate Total Costs, Average Total Costs, and Marginal Costs.
- a. c. Understand the characteristics of a firm in perfect competition including side-by-side graphs.
- a. d. Understand the profit-maximization output of a firm at  $MR=MC$ .
- a. e. Decide whether a firm should shut down, or increase decrease production levels.
- a. f. Identify short and long run situations in a perfectly competitive market.
- a. g. Describe the meaning of zero economic profits.

Reading: Miller: Chapters 23 and 24

III. IV. At the completion of AP Microeconomics students will demonstrate an understanding of the various forms of imperfect competition. The students will

- a. a. the characteristics of a monopoly, oligopoly, and monopolistic competition.
- a. b. Explain the nature of the Demand and Marginal Revenue curves in

imperfect competition.

- a. c. Identify short and long run scenarios of imperfect competition.
- a. d. Explain Game Theory and the Nash Equilibrium.  
Identify different pricing strategies of regulated firms including the socially optimal price and the fair rate of return price.
- a. e. Explain the nature of price discrimination.

Reading: Miller Chapters 25-28

- a. V. At the completion of the AP Microeconomics course the students will demonstrate an understanding of the nature of the factor market. The students will

Identify the differences between the product market and the factor market.

Identify the various stages of the circular flow market.

Calculate Marginal Physical Product, Marginal Revenue Product and Marginal Resource Cost.

Explain the concept of Derived Demand.

Determine wages in various combinations of markets from perfectly competitive markets to monopsonistic markets.

Describe the nature of Unions and their role in American society.

Identify the pros and cons of minimum wage legislation.

Identify the other three factors of production--land, capital, and entrepreneurship and explain the role of rent, interest, and profits in these instances.

Reading: Miller: Chapters 22 and 29-30

- a. VI. At the completion of the AP Microeconomics course the students will demonstrate an understanding of the role of government in the American economy. The students will

Differentiate between the private and public sector.

Understand the various economic functions of government.

Differentiate between various types of taxes such as progressive, regressive and proportional systems.

Describe market failures and the characteristics of negative and positive externalities.

Understand the concept of public choice

Utilize the Lorenz Curve and the Gini Co-efficient to evaluate income inequalities.

Reading: Miller: Chapters: 5,6,14, and 31

## **Course outcomes - Macro**

At the completion of AP Macroeconomics students will demonstrate an understanding of national income accounting. The student will

Create the circular flow diagram and describe how it is used to derive GDP.

Explain the nature of GDP and other national accounting figures as measures of economic health

Describe the causes of inflation and its effects on the American economy.

Identify the various stages of the business cycle and describe the problems associated with them.

List the types of unemployment and explain how they relate to the concept of the natural rate of unemployment.

Use the Phillips Curve to demonstrate the relationship between inflation and unemployment in the short run and long run.

Define Economic growth and identify various theories of how growth occurs.

Reading: Miller: Chapters 7-9 and 19

By the completion of AP Macroeconomics students will demonstrate an understanding of national income, output, and price level determination. The student will

Identify the determinants of Aggregate Demand and Aggregate Supply.

Use the Aggregate Expenditure and AD/AS models to analyze the economy and determine real output and price level.

Use the concept of the multiplier to explain the overall impact injections and leakages have on the economy.

Explain the shortcomings of the AD/AS model including concepts of sticky wages and prices.

Readings: Miller: Chapters 10 – 12

By the completion of AP Macroeconomics students will demonstrate an understanding of fiscal actions used by the government to regulate the economy. The student will

Identify the tools of fiscal policy and evaluate their effectiveness.

Explain how expansionary and contractionary fiscal policy affects real national output and price level in the short and long run.

Describe the limitations of fiscal policy including the crowding out effect and the net export effect.

Analyze the impact fiscal policy has on government deficits and the national debt.

Readings: Miller: Chapter 13

By the completion of AP Macroeconomics students will demonstrate an understanding of how the banking system and monetary policy affect the economy. The student will

List the functions and characteristics of money.

Discuss the role of M1 and M2 in the economy.

Explain the role of banks and their impact on the money multiplier.

Understand the impact that the money market and loanable funds market has on interest rates.

Explain the role of the Federal Reserve and describe how its policies affect consumers, business investment, real national output, and price level in the short and long run.

Analyze the nature of the interaction between monetary and fiscal policy.

Readings: Miller: 15-18

By the completion of AP Macroeconomics students will demonstrate an understanding of the role of international economics in the American economic system. The student will

Determine a nation's balance of trade using the concepts of the current account and capital account.

Explain how changes in the supply and demand for foreign currency affect exchange rates.

Demonstrate the effect exchange rates have on a nation's imports and exports.

Evaluate the use of tariffs, quotas, and other import restrictions on international trade.

Use the concept of comparative advantage to explain how foreign trade helps the global economy.

Reading: Miller: Chapters 33 and 34

**Text**

Economics Today, 14th Edition by Roger Miller  
ISBN # 0-321-42827-7

**EVALUATION PROCESS:**

A grade of A- or higher means you demonstrate excellent retention and comprehension of the facts in question, and/or an ability to insightfully communicate your ideas.

A grade of B- to B+ indicates that you demonstrate skills that are above average and are carefully prepared, but lack the high level of mastery and/or insight of a work.

A grade of C- to C+ indicates average work. You have met the minimum requirements, but have demonstrated little in the areas of mastery and/or insight.

Below average work receives grades of D or D+. Such a grade indicates poor quality of intellectual ideas and/or retention of the facts in question. D grade usually signifies that the student has not read the materials.

F's are given to work that completely fails to comprehend, analyze, or reflect upon the material under consideration.

The homework will be graded +, check, or - and I reflect the quality of the work. The evaluations will be graded A-F. Homework will count as 1/3 of the grade and the tests will be 2/3.

<b>A+</b> 97-100	<b>B+</b> 87-89	<b>C+</b> 77-79	<b>D+</b> 67-69	<b>F</b> Below 60
<b>A</b> 93-96	<b>B</b> 83-86	<b>C</b> 73-76	<b>D</b> 63-66	
<b>A-</b> 90-92	<b>B-</b> 80-82	<b>C-</b> 70-72	<b>D-</b> 60-62	

### **NU CTD Academic Honesty Policy**

Students are expected to act with honesty and personal integrity in all of their academic work. This applies to all academic exercises including assignments, papers, labs and assessments. As you are learning, it is understandable that you will use the theories, ideas and findings of others. As a student you must demonstrate that you have synthesized the material in your answers and presentations. Using the words and ideas of someone else as your own is intellectual theft that robs you of an important opportunity to learn. Consequences for academic dishonesty may include grade deduction or failure of the course.

### **MEET YOUR INSTRUCTOR**

Mr. Rob Sears has recently retired from Clark County School District, Las Vegas, Nevada. Prior to retirement, Mr. Sears taught AP Micro and Macro Economics as well as AP US History for seven years at Virtual High School. Mr. Sears received a BA in History from California State University, East Bay and a MED from University of Arizona, Tucson; finally, he is finishing his Masters of Economic Education from University of Delaware. This is Mr. Sears' first year teaching for Northwestern University through their Center for Talent Development. He also teaches Economics at the undergraduate and graduate level for the University of Phoenix online.

### **Contact Information:**

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