Cornwall-Lebanon School District Curriculum Overview

12TH GRADE AP MACROECONOMICS

length of time in weeks	Concepts & Competencies	Common Assessments	Academic Standards CCHS
Unit 1 4	**INTRODUCTION TO ECONOMICS** Describe and analyze the "economic way of thinking". Describe the methodology used in economics. Graph and interpret data. Graph and distinguish between inverse, direct and zero relationships. Graph and distinguish between constant and variable relationships. Identify the conditions that give rise to the economic problem of scarcity. Define Opportunity Cost. Identify the Opportunity Costs involved in various courses of action. Construct a Production Possibilities curve from sets of hypothetical data. Apply the concept of Opportunity Cost to a Production Possibilities Curve. Analyze the significance of different locations on, above or below a Production Possibilities Curve. Identify the three economic questions every economic system must answer. Compare and contrast the economic philosophies of Adam Smith and Karl Marx. Analyze the advantages and disadvantages of different economic systems.	➢ UNIT 1 EXAM	1A 1B 1C 1D 1E 1F 1G 1H 1I 1K 1L 1M 1N 1O

| Unit 2 [5] | MEASUREMENT OF ECONOMIC PERFORMANCE
Analyze the components of the Circular Flow Diagram and use it to explain how a single purchase can influence all the Macro flows in the country.
Describe the purpose of National Income Accounting.
Define Gross National Product, Gross Domestic Product, Net National Product, National Income, Personal Income, and Disposable Income.
Explain what Goods and Services are counted in GNP and GDP as Consumption, Investment, Government Expenditures, and Net Exports.
Compute GNP, GDP, NI, PI, and DI when given National Income Accounting data.
Compute GNP and GDP using both the Income and Expenditure methods.
Describe the purpose of a Price Index.
Explain how a Price Index is calculated.
Use a Price Index to calculate the rate of Inflation.
Distinguish between Demand-Pull inflation and Cost-Push Inflation.
Describe the difference between Nominal and Real GNP.
Explain how Unemployment is measured in the United States.
Calculate Unemployment and Employment Rates from appropriate data.
Differentiate between Frictional, Cyclical, Structural and Seasonal Unemployment.
Describe the phases of the Business Cycle.
Identify the phases of the Business Cycle when given the appropriate economic data. | ➢ UNIT 2 EXAM
➢ 1ST QTR EXAM | 2A
2B
2C
2D
2E
2F
2G
2H
2I
2J
2K
2L
2M
2N
2O
2P
2Q |
| Unit 3 [6] | MACROECONOMIC THEORY AND FISCAL POLICY
Define Aggregate Demand, Aggregate Supply and Equilibrium.
List and explain the basic causes of shifts in Aggregate Demand and Aggregate Supply.
Graph Aggregate Demand and Aggregate Supply.
Describe what determines the amount of goods and services produced and the level of employment in the Classical theory of Aggregate Supply-Aggregate Demand. | ➢ UNIT 3 EXAM
➢ MIDTERM EXAM | 3A
3B
3C
3D
3E
3F
3G
3H
3I |

	Describe what determines the amount of goods and services produced and the level of employment in the Keynesian theory of Aggregate Supply-Aggregate Demand. Explain how Consumption and Saving are related to Disposable Income in the Keynesian model. Describe and calculate from given data the Marginal Propensity to Consume and the Marginal Propensity to Save. Describe the Multiplier. Given values for the marginal Propensity to Consume, calculate the values for the Multiplier. Calculate the change in total spending that occurs from a given change in Business or Government expenditures when MPC is known. Describe Keynesian Equilibrium in words and diagrams. Explain the Equilibrium levels of Output and Employment in Keynesian analysis when prices are free to vary. Explain and show graphically how Fiscal Policy can be used to reduce and Inflationary or Recessionary Gap. Describe how Fiscal Policy can be used to stabilize the economy. Distinguish between Automatic and Discretionary Stabilizers. Distinguish between a Contractionary and Expansionary Fiscal Policy. Evaluate Macroeconomic conditions and determine the Fiscal Policy that can be used to improve those conditions. Use a Keynesian 45° Total Expenditure Diagram to analyze economic problems and proposed solutions to those problems. List and explain the complications encountered in employing Fiscal Policy.		3J 3K 3L 3M 3N 3O 3P 3Q 3R 3S
Unit 4 7	**MONEY, BANKING, FINANCE, MONETARY POLICY** Define and explain the functions of money. Explain what determines the value of money. Define and contrast the definitions of M1, M2, and M3. Define and compare Required Reserves and Excess Reserves. Explain how the banking system creates money.	➢ UNIT 4 EXAM ➢ 3RD QTR EXAM	4A 4B 4C 4D 4E 4F 4G

		Calculate the Money Multiplier and money growth possible from a given value of Excess Reserves. Describe the organizational structure of the Federal Reserve System. Define and explain Open Market Operations. Explain how Open Market Operations, the Discount Rate, and the Reserve Requirement are used to expand or contract the money supply. Evaluate the effectiveness of the three main tools of Monetary Policy. Write and explain the Equation of Exchange.		4H 4I 4K
Unit 5	7	**<u>Long Run Aggregate Supply and Macroeconomic Debates: Fiscal & Monetary Interactions and Economic Growth</u>** Identify the economic problems and recommend Monetary and Fiscal policies to improve economic performance when given economic statistics. Use Aggregate Demand and Aggregate Supply to analyze the economic problems and proposed solutions to those problems. Analyze the tradeoffs involved in various economic policy prescriptions. Use a Phillips Curve to illustrate tradeoffs between inflation and unemployment in the short run and the long run. Compare and contrast the effectiveness of Monetary and Fiscal Policy as tools of economic stabilization. State the assumptions, values, theoretical support, and applicable time periods underlying recommendations concerning Monetary and Fiscal Policies that are in conflict. Describe and discuss the essence of the Classical, Keynesian, Monetarist, Supply-Side, Rational Expectations, and Neo-Classical theories. Compare and contrast the theoretical support for the policy prescriptions of these theories. Discuss the various problems and tradeoffs that policymakers face.	➢ Unit 5 Exam	5A 5B 5C 5D 5E 5F 5G 5H 5I

Unit 6	5	The International Economy: Trade, Finance, Exchange Rates, Balance of Payments	➢ Unit 6 Exam ➢ FINAL EXAM	6A 6B 6C 6D 6E 6F 6G 6H 6I 6J 6K
		Define Comparative and Absolute Advantage. Describe and give examples of the Law of Comparative Advantage. Define Specialization and Exchange. Explain how both parties to a trade gain from voluntary exchange. Explain Comparative Advantage in terms of Opportunity Cost. When given necessary data, compute the costs of producing two commodities in two countries, determine which nation has the Comparative Advantage in the production of each commodity, calculate the trading ratio, and explain the gains to each nation and the world from Specialization and Trade. Describe and evaluate the case for Free Trade. Describe and evaluate the case for Protectionism. Describe the Balance of Payments. Describe how Exchange Rate Systems work and convert currency using current exchange rates. Describe the effects of Depreciating or Appreciating Currency Rates on a nation's imports and exports.		