

## MT. DIABLO UNIFIED SCHOOL DISTRICT

### COURSE OF STUDY

<b>COURSE TITLE:</b>	<b>AP Microeconomics</b>
<b>COURSE NUMBER:</b>	<b>3141</b>
<b>DEPARTMENT:</b>	<b>History/Social Science</b>
<b>LENGTH OF COURSE:</b>	<b>One semester</b>
<b>CREDITS PER SEMESTER:</b>	<b>5</b>
<b>GRADE LEVEL:</b>	<b>12</b>
<b>REQUIRED OR ELECTIVE:</b>	<b>Elective (fulfills district graduation requirement)</b>
<b>PREREQUISITES:</b>	<b>Successful Application *</b>
<b>BOARD OF EDUCATION ADOPTION:</b>	

### COURSE DESCRIPTION

The AP course in Microeconomics gives students an understanding of the principles of economics that apply to the functions of individual decision makers, both consumers and producers, within the larger economic system. It places primary emphasis on the nature and functions of product markets, and includes the study of factor markets and the role of government in promoting greater efficiency and equity in the economy.

### COURSE OUTLINE

#### 1. MAJOR GOALS

- 1.1 To understand that the problem of limited resources and unlimited wants forces societies to make choices
- 1.2 To understand the concepts of opportunity costs, trade-offs, production possibilities, or other analytical examples
- 1.3 To understand how and why specialization and exchange increase total output of goods and services leading to mutually advantageous trade
- 1.4 To identify determinants of supply and demand that affect market structure, consumer choice, price, and hiring practices
- 1.5 To examine the conditions for economic efficiency and the conditions under which government intervention is necessary to correct market failures
- 1.6 To evaluate the effectiveness of government policies such as subsidies, taxes, and redistribution of wealth

#### 2. PERFORMANCE OBJECTIVES

Knowledge

- 2.1 Identify the problems of scarcity and choice, and explain the four basic economic questions: what, how much, and for whom
- 2.2 Differentiate between absolute and comparative advantage
- 2.3 Identify the significance of marginal analysis in determining output and pricing
- 2.4 Apply the concepts of price and income elasticities to real world problems
- 2.5 Identify and develop a position regarding current economic problems
- 2.6 Demonstrate knowledge of interdependence and interrelatedness of product and factor markets in the circular flow of economic activity
- 2.7 Identify the interplay between political and economic issues

#### Skills Attainment and Social Participation

#### 2.8 Research Skills

- 2.8.1 Acquire information through listening, observing, reading, and using community resources
- 2.8.2 Locate information in textbooks, encyclopedias, specialized dictionaries, almanacs, Internet, and other reference materials
- 2.8.3 Evaluate information from models, graphics, charts, tables, pictures, and cartoons
- 2.8.3 Extract and analyze information by using computers, CD-ROM, microfilm, and other electronic media

#### 2.9 Communication Skills

- 2.9.1 Communicate orally and in writing

#### 2.10 Analytic Skills:

- 2.10.1 Compare similarities and differences among two or more ideas, events, or situations at the same or different points in time
- 2.10.2 Classify or group items according to rational criteria
- 2.10.3 Formulate appropriate and searching questions
  - 2.10.3.1 Draw probable conclusions, hypothesis or inferences from evidence and develop possible alternatives
- 2.10.4 Evaluate or make informed judgments based on rational criteria

2.10.5 Compare American political and economic values and capabilities with those of other cultures

2.10.6 Identify historical, cultural, and social bias/prejudice in political and economic phenomena

2.10.7 Take the perspective of others

### 3. CONTENT OUTLINE

3.1 Basic economic concepts (8-12% *percentage goals for examination*)

3.1.1 Scarcity: the nature of economic systems

3.1.2 Opportunity costs and production possibilities

3.1.3 Specialization and comparative advantage; the basis for international trade

3.1.4 The functions of any economic system (what, how, and for whom to produce)

3.2 The nature and functions of product markets (60-70%)

3.2.1 Supply and demand (15-20%)

3.2.1.1 Price and quantity determination

3.2.1.2 Basic manipulation of supply and demand, including ceilings and floors

3.2.1.3 Elasticity

3.2.2 Models of consumer choice (5-10%)

3.2.2.1 Consumer choice behind the demand curve

3.2.2.2 Consumer surplus

3.2.3 Firm production, costs, revenues (10-15%)

3.2.3.1 Marginal product and diminishing returns

3.2.3.2 Average and marginal costs and revenues

3.2.3.3 Long-run costs and economics of scale

3.2.4 Product pricing and outputs within different market structures (25-30%)

3.2.4.1 Perfect competition

3.2.4.2 Imperfect competition

- Monopoly
- Oligopoly
- Monopolistic competition

- 3.2.5 Efficiency and government policy toward imperfect competition (5-10-%)
- 3.3 Factor markets (10-15%)
  - 3.3.1 Derived factor demand
  - 3.3.2 Determination of wages and other factor prices
- 3.4 Efficiency, equity, and the role of government (8-12%)
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    - 3.4.1.1 Externalities
    - 3.4.1.2 Public goods
    - 3.4.1.3 Distribution of income

(Subsequent courses of study will reflect updated content from the College Board.)

#### **4. TIME ESTIMATES**

- 4.1 Percentage of time spent on each content area should reflect the emphasis provided by the A.P. Microeconomics course outline

#### **5. INSTRUCTIONAL MATERIALS**

- 5.1 Textbooks
- 5.2 AP Instructional Program
- 5.3 Curriculum guide
- 5.4 Multi-media technology
- 5.5 Primary source materials
- 5.6 Simulations /computer programs, Internet
- 5.7 Library materials
- 5.8 Graphs, charts, tables

#### **6. EVALUATION**

- 6.1 Class participation
- 6.2 Testing (quiz and exam)
- 6.3 Oral presentations

6.4 Research projects and/or papers

6.5 Essay

Committee Members:

Jacki Della Rosa	Clayton Valley High School
Tom Turnbull	Clayton Valley High School
Bette Spagel	College Park High School
Alec Thompson	Concord High School
Sarah West	Mt. Diablo High School
Joe Poppas	Mt. Diablo High School
Jed Morrow	Ygnacio Valley High School
Evie Groch	Curriculum Specialist, Dent Center

Updating the course as a separate Microeconomics Course as requested by the University of California Admissions' Office is made by Spoogmai Habibi, former Curriculum Specialist for the school year 2010-2011 and thereafter until further revisions are made.