AP Macroeconomics

Grade levels: 11 - 12
Prerequisite: AP Microeconomics
1 semester

Description
This course examines economic concepts associated with our free enterprise/capitalistic economy. Principles researched and discussed in the course include economic growth, aggregates, the U.S. banking system, world economies, and money. Students will have the opportunity to learn through independent research, projects, and discussion. This course prepares students for the AP Macroeconomics exam. Students have the option to earn college credit through the AP examination. A weighted grade is given.

Why This Course
The course prepares students to think like economists by using principles and models to describe economic situations and predict and explain outcomes. Like economists, students do so by using graphs, charts, and data.

Units of Study
<u>Unit 1 - Basic Economic Concepts</u>
To understand economics, students must first understand that because most resources are scarce, individuals and societies must make choices. Examining how and why these choices are made will help students begin to understand the principles of supply and demand along with the importance of specialization and exchange.

<u>Unit 2 - Economic Indicators and the Business Cycle</u>
Students will learn how the economy works with a model of the circular flow of inputs and outputs and the money that pays for them. Students will also explore how economists assess the performance of the economy with an introduction to measures of economic performance and the business cycle. These concepts will be revisited in different contexts and models in the units that follow.

<u>Unit 3 - National Income and Price Determination</u>
In this unit, students will learn how to represent and evaluate these concepts in the context of a specific economic model: the aggregate demand–aggregate supply model. The aggregate demand–aggregate supply model is a powerful tool that allows economists to represent the impact of spending and production decisions, economic fluctuations, and policy actions on macroeconomic outcomes, including output, income, unemployment, and inflation.

<u>Unit 4 - Financial Sector</u>
In this unit, students will evaluate the macroeconomic effects of monetary policy. Before doing so, though, they should first have an understanding of how the financial sector works and be able to describe how monetary policy is implemented and transmitted through the banking system. This understanding begins with an introduction to financial assets, including money, and the way in which fractional reserve banking allows for the expansion of the money supply. Students will then build on their understanding of the financial sector by learning how to model the money market, the reserve market, and the loanable funds market.

Unit 5 - Long-Run Consequences of Stabilization Policies
In this unit, students will build on this understanding to examine the long-run implications of policy actions and the concept of economic growth. Additionally, students explore how the Phillips curve model is used to represent the relationship between inflation rate and unemployment rate in the short run and long run.

Unit 6 - Open Economy—International Trade and Finance
Unit 6 introduces students to the concept of an open economy in which a country interacts with the rest of the world through both product and financial markets. Changes in economic activity affect the supply of and demand for a nation's currency and subsequently the value of that currency. But it is also true that changes in the value of a country's currency can affect economic activity in that country. In addition to these insights, students have the opportunity in this unit to consider the effects of economic policy on exchange rates and the implications of such changes

District Provided Resource(s)
Principles of Economics, 9th edition, 2022, Cengage

Required Assessment(s)
- Students have the option to take the College Board's AP Macroeconomics assessment.
- Successful completion of this course coupled with AP Microeconomics and the Personal Finance end-of-course exam will satisfy the Personal Finance course requirement.

Course Number(s)
159710