



Wilton High School
AP Microeconomics

The principal objective of the Social Studies program is the development of young adults who are ready for career, college and community involvement; citizens who are knowledgeable about the world, our own society and its evolution.

Core text:

Anderson, David A., and Margaret Ray, *Krugman's Economics for AP* (New York: Bedford, Freeman and Worth, 2011)

Units/Topics:	Students will know:	Students will be able to:
Basic Economic Concepts	<ul style="list-style-type: none"> ● Scarcity ● Resource Allocation and Economic Systems ● Production Possibilities Curve ● Comparative Advantage and Trade ● Cost-Benefit Analysis ● Marginal Analysis and Consumer Choice 	<ul style="list-style-type: none"> ● learn how to construct and interpret economic models, using calculations, tables and graphs ● evaluate alternative economic systems in regard to their ability to meet society's key production and distribution questions
Supply and Demand	<ul style="list-style-type: none"> ● Demand ● Supply ● Price Elasticity of Demand ● Price Elasticity of Supply ● Other Elasticities ● Market Equilibrium and Consumer and Producer Surplus ● Market Disequilibrium and Changes in Equilibrium 	<ul style="list-style-type: none"> ● use supply and demand as a means of analysis and prediction ● demonstrate the effects of changes on price, quantity, and equilibrium through graphs and written explanation ● calculate and graph elasticity of demand and supply

	<ul style="list-style-type: none"> ● The Effects of Government Intervention in Markets ● International Trade and Public Policy 	
Production, Cost, and the Perfect Competition Model	<ul style="list-style-type: none"> ● The Production Function ● Short-Run Production Costs ● Long Run Production Costs ● Types of Profit ● Profit Maximization ● Firms' Short-Run Decisions to Produce and Long-Run Decisions to Enter or Exit a Market ● Perfect Competition 	<ul style="list-style-type: none"> ● draw and interpret the production function graph ● derive graphs and values for fixed, variable, average, marginal and total costs ● show using graphs the firm's profit/loss and consequent entry or exit from a market
Imperfect Competition	<ul style="list-style-type: none"> ● Introduction to Imperfectly Competitive Markets ● Monopoly ● Price Discrimination ● Monopolistic Competition ● Oligopoly and Game Theory 	<ul style="list-style-type: none"> ● draw and differentiate graphs for the different types of market structures ● show the impact of the different market structures on price and output
Factor Markets	<ul style="list-style-type: none"> ● Introduction to Factor Markets ● Changes in Factor Demand and Factor Supply ● Profit Maximizing Behavior in Perfectly Competitive Factor Markets ● Monopsonistic Markets 	<ul style="list-style-type: none"> ● distinguish the factor market from the product market ● derive the Marginal Revenue Product, and the least cost combination of inputs ● explain how the marginal productivity theory of resource demand applies to wage rate determination
Market Failure and the Role of Government	<ul style="list-style-type: none"> ● Socially Efficient and Inefficient Market Outcomes ● Externalities ● Public and Private Goods ● The Effects of Government Intervention in Different Market Structures. 	<ul style="list-style-type: none"> ● recognize why positive and negative externalities occur, and to derive potential solutions, using a supply and demand graph ● explain the impact of public goods, property rights, price ceilings and price floors on the market

