

Microeconomics SYLLABUS

Jason Farone

*Blackhawk High School
Beaver Falls, PA*

School Profile

School Location and Environment: Blackhawk High School is a public school in Beaver Falls, PA, located 50 miles northwest of Pittsburgh, PA. The school serves the communities of Chippewa, South Beaver Township, West Mayfield Borough, Patterson Heights Borough, Patterson Borough, Darlington Township, Darlington Borough, and Enon Valley.

Grades: 8-12

Type: Public High School

Total Enrollment: 1145

College Record: 59.7% 4 year school, 13.1% 2 year school, 9.9% trade school

Course Description

A year-long economics course is offered to students. The course content is designed to help students develop critical-thinking skills through the understanding, application, and analysis of fundamental economic concepts. Students will be expected to apply quantitative and mathematical skills to economics. Also, they will be expected to apply economic logic to a wide variety of real-world and hypothetical situations.

The course is very similar to the microeconomics and macroeconomics principles courses offered at the college level.

This course prepares students for the AP® Economics Examinations. There are two AP Exams in Economics; each consists of 60 multiple-choice questions and 3 free-response questions. The first semester (microeconomics) prepares students for the AP Microeconomics Exam. The second semester (macroeconomics) prepares students for the AP Macroeconomics Exam. The outline beginning on the next page is for the microeconomics segment of the course.

Text and Materials

McEachern, William A., Economics: A Contemporary Introduction 6th ed. Thomson South Western Press, 2003.

Morton, John S. Advanced Placement Economics: 3rd Edition: Microeconomics. New York: National Council on Economic Education, 2003. Two books: Student Activities book and Teacher Resources Manual.

Suggested Student Web Sites

College Board Online

www.collegeboard.com/ap

At the AP Economics segment of this site, you can find a small collection of AP questions and problems, as well as other resources for AP teachers.

Economics Departments on the Internet: U.S.

<http://www.AmosWeb.com/econdept>

This site provides links to the home pages of college economics departments, at which course syllabi and materials can be found.

Suggested Student Supplemental Study Aids

The Princeton Review: Cracking the AP Economics Macro and Micro Exams: 2004-2005 Edition

Course Evaluation

Each 9 week grading period is based on a percentage of the total points possible. Approximately 8 chapters will be covered each grading period. The final grade for the semester will be the average of the two 9 week grading periods. The final exam will be calculated in the second 9 weeks grading period and will not be worth more than 20% of that 9 week's grade.

The grading scale is as follows:

100 - 91.5%	A
91.4 - 82.5%	B
82.4 - 73.5%	C
73.4 - 64.5%	D
< 64.4%	E

Tests, quizzes, and homework will comprise almost all of your points for each 9 weeks grading period. Approximately 500-600 points will be possible each 9 weeks period.

Bonus points are not an option in an AP class, so do not even ask.

My Expectations of Students

1. You are here to learn. Everything else that we do is secondary to that goal. Behavior that distracts from achieving that goal will not be tolerated.
2. You are expected to be in class on time.
3. You should participate in class discussions and contribute to the class goal of learning economics. You should be willing to spend the extra time necessary to meet AP course expectations.
4. You should not create negative externalities (i.e., engage in behavior that negatively affects other people, including me).
5. You will keep track of your grade and assignments on www.classroll.com.
6. You will treat others in the class with respect.

My Obligations to Students

1. I will do everything possible to help you learn economics. You can get extra help before and after school. If you don't understand something, ask for extra help before the test.
2. I will have before- and after-school review sessions before major tests.
3. I will keep you informed of your grades, and return tests, quizzes, and assignments on a timely basis.
4. I will treat you with respect and grade you fairly.
5. I will conduct evening -- and occasional weekend -- review sessions prior to the practice AP tests that I give.
6. You may contact me at any time by using my e-mail: faronej@bsd.k12.pa.us

COURSE OUTLINE

Unit 1 Introduction to Economics Chapters 1-3

Topics to be discussed: The economic problem: scarce resources, unlimited wants, art of economic analysis, science of economic analysis, choice and opportunity cost, comparative advantage, specialization, and exchange, economy's production possibilities, economic systems, demand, shifts of the demand curve, supply, shifts of the supply curve, demand and supply create a market, changes in equilibrium price and quantity, disequilibrium prices, economic decision makers.

Unit 2 Introduction to the Market System Chapters 5-7

Topics to be discussed: Price elasticity of demand, determinants of the price elasticity of demand, price elasticity of supply, other elasticity measures, utility analysis, measuring utility, role of time in demand, cost and profit, production in the short run, costs in the short run, costs in the long run.

Unit 3 Market Structure and Pricing Chapters 8-10

Topics to be discussed: introduction to perfect competition, short run profit maximization, minimizing short run losses, firm and industry short run supply curves, perfect competition in the long run, long run industry supply curve, perfect competition and efficiency, monopoly, barriers to entry, revenue for a monopolist, firm's costs and profit maximization, monopoly and the allocation of resources, problems estimating the welfare cost of monopoly, price discrimination, monopolistic competition, introduction to oligopoly, models of oligopoly.

Unit 4 Resource Markets Chapters 11-14

Topics to be discussed: Demand and supply of resources, closer look at resource demand, labor supply, unions and collective bargaining, union wages and employment, role of time in production and consumption, present value and discounting, corporate finance, rationale for the firm and its scope of operation, market behavior with imperfect information, asymmetric information in product markets, asymmetric information in labor markets.

Unit 5 Market Failure and Public Policy Chapters 15-19

Topics to be discussed: Public goods, public choice in a representative democracy, externalities and the common-pool problem, optimal level of pollution, positive externalities, distribution of household income, welfare loss.
(Only parts of these chapters will be used because of time constraints)

AP Test percentages of coverage on the multiple choice part of the exam

Microeconomics

Percentage Goals of Exam Content Area (multiple-choice section)

- I. Basic Economic Concepts (8–14%)
 - A. Scarcity, choice, and opportunity cost
 - B. Production possibilities curve
 - C. Comparative advantage, absolute advantage, specialization, and trade
 - D. Economic systems
 - E. Property rights and the role of incentives
 - F. Marginal analysis
- II. The Nature and Functions of Product Markets. (55–70%)
 - A. Supply and demand (15–20%)
 - 1. Market equilibrium
 - 2. Determinants of supply and demand
 - 3. Price and quantity controls
 - 4. Elasticity
 - a. Price, income, and cross-price elasticities of demand
 - b. Price elasticity of supply
 - 5. Consumer surplus, producer surplus, and market efficiency
 - 6. Tax incidence and deadweight loss
 - B. Theory of consumer choice (5–10%)

1. Total utility and marginal utility
 2. Utility maximization: equalizing marginal utility per dollar
 3. Individual and market demand curves
 4. Income and substitution effects
- C. Production and costs (10–15%)
1. Production functions: short and long run
 2. Marginal product and diminishing returns
 3. Short-run costs
 4. Long-run costs and economies of scale
 5. Cost minimizing input combination
- D. Firm behavior and market structure (25–35%)
1. Profit:
 - a. Accounting versus economic profits
 - b. Normal profit
 - c. Profit maximization: $MR=MC$ rule
 2. Perfect competition
 - a. Profit maximization
 - b. Short-run supply and shutdown decision
 - c. Behavior of firms and markets in the short run and in the long run
 - d. Efficiency and perfect competition
 3. Monopoly
 - a. Sources of market power
 - b. Profit maximization
 - c. Inefficiency of monopoly
 - d. Price discrimination
 - e. Natural monopoly
 4. Oligopoly
 - a. Interdependence, collusion, and cartels
 - b. Game theory and strategic behavior
 5. Monopolistic competition
 - a. Product differentiation and role of advertising
 - b. Profit maximization
 - c. Short-run and long-run equilibrium
 - d. Excess capacity and inefficiency
- III. Factor Markets (10–18%)
- A. Derived factor demand
 - B. Marginal revenue product
 - C. Labor market and firms' hiring of labor
 - D. Market distribution of income
- IV. Market Failure and the Role of Government. (12–18%)
- A. Externalities
 1. Marginal social benefit and marginal social cost
 2. Positive externalities
 3. Negative externalities
 4. Remedies

B. Public goods

1. Public versus private goods
2. Provision of public goods

C. Public policy to promote competition

1. Antitrust policy
2. Regulation

D. Income distribution

1. Equity
2. Sources of income inequality