

Macroeconomics 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, West Mayfield, Patterson, White Township, Darlington, Enon Valley, and New Gallilee.

Grades: 8-12

Type: Public High School

Total Enrollment:

Percentage of Minorities:

College Record:

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: Macroeconomics. 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 Fundamentals of Macroeconomics Chapters 20-26

Topics to be discussed: The national economy, economic fluctuations and growth, aggregate demand and aggregate supply, short history of the US economy, theory of productivity and growth, productivity and growth in practice, issues of technology and growth, product of a nation, circular flow of income and expenditure, limitations of national income accounting, accounting for price changes, unemployment, inflation, consumption, investment, government, net exports, composition of aggregate expenditure, aggregate expenditure and income, simple spending multiplier, deriving aggregate demand curve, aggregate supply in the short run, from the short run to the long run, and changes in aggregate supply.

Unit 2 Fiscal and Monetary Policy Chapters 27-32

Topics to be discussed: Theory of fiscal policy, aggregate supply, evolution of fiscal policy, evolution of money, financial institutions in the US, money aggregates, how banks work, how banks create money, the Fed's tools of monetary control, demand and supply of money, money and aggregate demand in the short run, money and aggregate demand in the long run, targets for monetary policy, active policy versus passive policy,

role of expectations, policy rules versus discretion, the Phillips curve, Federal budget process, fiscal impact of the Federal budget, and the national debt.

Unit 3 International Macroeconomics Chapter 33

Topics to be discussed: Balance of payments, foreign exchange rates and markets, and developing of the international monetary system.

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

Macroeconomics

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

- I. Basic Economic Concepts (8–12%)
 - A. Scarcity, choice, and opportunity costs
 - B. Production possibilities curve
 - C. Comparative advantage, absolute advantage, specialization, and exchange
 - D. Demand, supply, and market equilibrium
 - E. Macroeconomic issues: business cycle, unemployment, inflation, growth
- II. Measurement of Economic Performance. (12–16%)
 - A. National income accounts
 - 1. Circular flow
 - 2. Gross domestic product
 - 3. Components of gross domestic product
 - 4. Real versus nominal gross domestic product
 - B. Inflation measurement and adjustment
 - 1. Price indices
 - 2. Nominal and real values
 - 3. Costs of inflation
 - C. Unemployment
 - 1. Definition and measurement
 - 2. Types of unemployment
 - 3. Natural rate of unemployment
- III. National Income and Price Determination. (10–15%)
 - A. Aggregate demand
 - 1. Determinants of aggregate demand
 - 2. Multiplier and crowding-out effects
 - B. Aggregate supply
 - 1. Short-run and long-run analyses
 - 2. Sticky versus flexible wages and prices
 - 3. Determinants of aggregate supply
 - C. Macroeconomic equilibrium
 - 1. Real output and price level
 - 2. Short and long run
 - 3. Actual versus full-employment output
 - 4. Economic fluctuations

- IV. Financial Sector. (15–20%)
 - A. Money, banking, and financial markets
 - 1. Definition of financial assets: money, stocks, bonds
 - 2. Time value of money (present and future value)
 - 3. Measures of money supply
 - 4. Banks and creation of money
 - 5. Money demand
 - 6. Money market
 - 7. Loanable funds market
 - B. Central bank and control of the money supply
 - 1. Tools of central bank policy
 - 2. Quantity theory of money
 - 3. Real versus nominal interest rates
- V. Inflation, Unemployment, and Stabilization Policies. (20–30%)
 - A. Fiscal and monetary policies
 - 1. Demand-side effects
 - 2. Supply-side effects
 - 3. Policy mix
 - 4. Government deficits and debt
 - B. Inflation and unemployment
 - 1. Types of inflation
 - a. Demand-pull inflation
 - b. Cost-push inflation
 - 2. The Phillips curve: short run versus long run
 - 3. Role of expectations
- VI. Economic Growth and Productivity (5–10%)
 - A. Investment in human capital
 - B. Investment in physical capital
 - C. Research and development, and technological progress
 - D. Growth policy
- VII. Open Economy: International Trade and Finance (10–15%)
 - A. Balance of payments accounts
 - 1. Balance of trade
 - 2. Current account
 - 3. Capital account
 - B. Foreign exchange market
 - 1. Demand for and supply of foreign exchange
 - 2. Exchange rate determination
 - 3. Currency appreciation and depreciation
 - C. Net exports and capital flows
 - D. Links to financial and goods markets