

AP Macroeconomics Unit 1 Objectives

In order to successfully complete this unit, you will need to:

1. Explain the role of scarcity, opportunity cost, and tradeoffs in economics and identify examples of situations where each concept applies. (Ch 1)
2. Evaluate economic decision making using the principles of incentives and marginal reasoning. (Ch 1)
3. Explain why productivity, trade, and the use of markets are important to establishing and maintaining a strong economy. (Ch 1)
4. Draw, interpret, and explain a circular flow graphic and its various sectors and interactions. (Ch 2)
5. Draw, interpret, and explain a production possibilities frontier and identify what points at different locations mean. (Ch 2)
6. Explain how and why all countries can benefit from trade and specialization. (Ch 3)
7. Use opportunity cost, comparative advantage, absolute advantage and production possibility frontiers to analyze a trade scenario involving two countries and two products. (Ch 3)
8. Explain the law of demand, the difference between demand and quantity demanded, and the determinants of a change in demand. (Ch 4)
9. Explain the law of supply, the difference between supply and quantity supplied, and the determinants of a change in supply. (Ch 4)
10. Draw, interpret, and explain a supply/demand graph and identify the price and quantity changes that result from a shift in demand or supply. (Ch 4)
11. Draw, interpret, and explain a supply/demand graph that is not at equilibrium, as well as identify government actions that may cause such a situation. (Ch 4)

AP Macroeconomics – Koelzer

Important Dates for Unit 1: Basic Economic Principles

<u>Date</u>	<u>Assignment Due</u>
1/30	Objective 1-3 Notes
1/31	Objective 4-5 Notes Quiz on Objectives 1-5
2/1	Objective 4-5 Practice
2/2	Objective 6-7 Notes
2/5	Objective 6-7 Practice
2/6	Objective 8-11 Notes
2/7	Objective 8-11 Practice
2/8	UNIT 1 TEST

Notes may be taken in whichever format you prefer (outline, summaries, charts, graphic organizers, etc.) as long as headings from the chapter are used.

Although you should read the “In the News”, “FYI”, and “Case Study” sections, notes are not required for these.