

AP Macroeconomics Semester Long Course

Required Textbooks

McConnell et al., Macroeconomics: Principles, Problems, and Policies, 17th Edition (McGraw Hill 2008). ISBN # 978-0-07-327308-2

OR

McConnell et al., Economics: Principles, Problems, and Policies, 17th Edition (McGraw Hill 2008). ISBN # 978-0-07-312663-0

AND

Morton, AP Macroeconomics: Student Activity, 3rd Edition, (National Council on Economics, 2003). ISBN: 1-56183-567-6

Course Objectives

"Macroeconomics: a laudable attempt to explain how large parts (or the whole) of an economy work, without pretending to know how the component parts work."

- Ralph Harris, *Everyman's Guide to Contemporary Economic Jargon*

The primary course objective is the study of the determinants of the aggregate level of economic activity in a global economy. Attention focuses on the demand for output by households (*CONSUMPTION SPENDING*), businesses (*INVESTMENT SPENDING*), *GOVERNMENT SPENDING*, and trade with the rest of the world (*NET EXPORTS*), as well as the roles played by *FISCAL* and *MONETARY* policies. In addition, coverage centers on the problems of *INFLATION*, *UNEMPLOYMENT*, *FEDERAL BUDGET DEFICITS*, and stimulating *ECONOMIC GROWTH*.

After completing this course, you will be able to:

1. Distinguish between opportunity cost, scarcity, and tradeoffs.
2. Define comparative advantage and specialization and benefits of exchange.
3. List the determinants of demand and supply.
4. Describe the macroeconomic performance of the United States and other countries—gross domestic product (GDP), inflation, unemployment, and other indicators.
5. Define GDP by expenditure and income approaches.
6. Define and list factors influencing money demand.
7. Define money supply and other financial assets.
8. Define fiscal policy—discretionary and nondiscretionary.
9. Define and measure the effect of built-in stabilizers on the economy.
10. Identify and examine the tools of central bank policy and their impact on money supply and interest rates.
11. Define economic growth and list the factors that stimulate growth.
12. Suggest how public policies stimulate economic growth.
13. List the factors that influence equilibrium foreign exchange rates.
14. List the determinants of aggregate demand (AD).
15. Distinguish between changes in AD and a change in price level causing movement along the AD curve.

16. Show the causes of inflation on an AD/AS model.
17. Distinguish between changes in AS and a change in price level causing movement along the AS curve.

Topics covered include:

- * Measuring levels of output and income
- * Keynesian and Classical models of Aggregate Demand and Supply
- * Banking System and the Creation of Money
- * Impacts of government fiscal and monetary policies
- * Inflationary processes and models of Inflation
- * Unemployment-Inflation tradeoff controversies
- * Public Debt burdens
- * International Trade policies
- * Determinants of economic growth

Week by Week Course Breakdown:

	<ul style="list-style-type: none"> • Submit your Course Schedule • Complete orientation • Post to the "Getting To Know You" Discussion Group • Read Chapter 1 (Macro Edition)
	<ul style="list-style-type: none"> • Complete and post Student Activity 1 and 2 (Morton Workbook), and post to the Activities Forum • Read Chapters 2 and 3 (Macro Edition)
	<ul style="list-style-type: none"> • Complete and post Student Activities 3, 4, 5, 6, 7, 8 and post them to the Activities Forum • Read Chapter 5. (M. E.)
	<ul style="list-style-type: none"> • Read Chapter 5. (M. E.) • Read Chapters 6 and 7 (M. E.)
	<ul style="list-style-type: none"> • Complete Student Activities 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, and post them to the Activities Forum • Complete and post "Federal Reserve Bank Beige Book Analysis" to Discussion Group
	<ul style="list-style-type: none"> • Complete Self Quiz #1 • Complete Unit 2, Quiz #1

	<ul style="list-style-type: none"> • Complete Units 1 & 2 Exam • Read Chapters 8 and 9. (M. E.)
	<ul style="list-style-type: none"> • Complete and post Student Activities 19, 20, 21, 22 to the Activities Forum • Read Chapter 10. (M. E.)
	<ul style="list-style-type: none"> • Complete Unit 3, Self Quiz 1 • Complete and post Student Activities 23, 24, 25, 26, 27, 28, and 29 to Activities Forum
	<ul style="list-style-type: none"> • Post "Microsoft's Impact on the GDP" to the Discussion Group • Complete Unit 3, Self Quiz 2
	<ul style="list-style-type: none"> • Read Chapter 11 (M. E.) • Complete and post Student Activities 30, 31, 32, 33 to the Activities Forum
	Vacation Week *
	<ul style="list-style-type: none"> • Complete Unit 3 Exam • Read Chapter 12. (M. E.)
	<ul style="list-style-type: none"> • Complete and post Student Activities 34, 35, 36 to the Activities Forum • Complete Unit 4, Self Quiz 1
	<ul style="list-style-type: none"> • Read Chapter 13. (M. E.) • Complete Student Activity 37 and post to Activities Forum
	<ul style="list-style-type: none"> • Complete and post to Discussion Group, "US Dollar does not reign supreme any longer, (but does it matter?)" • Complete Unit 4, Quiz 1
	<ul style="list-style-type: none"> • Read Chapter 14. (M. E.) • Complete and post Student Activities 38, 39, 40, 41, 42 to Activities Forum
	<ul style="list-style-type: none"> • Complete Unit 4 Exam • Read Chapter 15 (M. E.)
	<ul style="list-style-type: none"> • Read Chapter 16 (M. E.) • Complete and post Student Activity 47 to Activities Forum
	<ul style="list-style-type: none"> • Complete and post "Are Wars Good for the Economy?" to Discussion Group • Read Chapter 17 (M. E.)

	<ul style="list-style-type: none"> • Complete and post Student Activity 48 to Activities Forum • Complete Unit 5, Quiz 1
	<ul style="list-style-type: none"> • Complete Unit 5 Exam • Read Chapter 18 (M. E.)
	<ul style="list-style-type: none"> • Complete and post Student Activities 49, 50, 51 to Activities Forum • Complete Unit 6, Quiz 1
	<ul style="list-style-type: none"> • Read Chapter 19 (M. E.) • Complete and post Student Activities 52, 53, 54, 55 to the Activities Forum
	<ul style="list-style-type: none"> • Complete and post "When Good Trade Policies Go Bad" to the Discussion Group • Complete Unit 6 Exam
	<p>Vacation Week *</p>
	<ul style="list-style-type: none"> • Semester 1 Exam Preparation • Semester 1 Exam