



## Online Courses for High School Students

1-888-972-6237

### AP Microeconomics

#### Course Description:

AP Microeconomics studies the behavior of individuals and businesses as they exchange goods and services in the marketplace. Students will learn why the same product costs different amounts at different stores, in different cities, at different times. They'll also learn to spot patterns in economic behavior and how to use those patterns to explain buyer and seller behavior under various conditions. Microeconomics studies the economic way of thinking, understanding the nature and function of markets, the role of scarcity and competition, the influence of factors such as interest rates on business decisions, and the role of government in promoting a healthy economy. The equivalent of a 100-level college course, AP Microeconomics prepares students for the AP Exam and for further study in business, history, and political science.

**Prerequisites:** Successful completion of Honors Algebra II (or equivalent) and a teacher/counselor recommendation.

**Course Length:** One Semester

#### Required Text:

- Economics for Today, 6th edition, ed. Irvin B. Tucker, South-Western/Cengage Learning, 2010, 2008. ISBN: 0-324-59136-5.

OR

- Microeconomics for Today, ed. Irvin B. Tucker, South-Western/Thomson Learning, 2005. ISBN: 0-324-40800-5. (various editions)

#### Course Outline

##### Unit 1: What Is Economics?

Topics covered in this unit:

- What Is Economics?
- Scarcity, Wants, and Resources
- Scarcity and Value
- Markets
- Graphs
- Equations
- Intercepts and Slopes
- Three Fundamental Questions
- Different Ways to Organize an Economic System
- The U.S.: A Mixed Economy
- Four Economic Goals

## **Unit 2: Basic Economic Concepts**

Topics covered in this unit:

- Net Benefits and Self-interest
- Costs Are Opportunity Costs
- Sunk Costs
- Positive and Normative Economics
- The Production Possibilities Frontier
- PPF and Opportunity Costs
- Absolute and Comparative Advantage
- Trade between Individuals
- Specialization
- Production Possibilities Frontier for an Economy
- International Trade: A Positive View
- International Trade: A Normative View
- The Scientific Method & Difficulties
- Economics and Special Experimental Difficulties
- Theories and Models
- Four Types of Models

## **Unit 3: Demand, Supply, Elasticity, and Choice**

Topics covered in this unit:

- Demand Schedule and Curve
- Law of Demand
- Determinants of Demand
- Change in Demand and Change in Quantity Demanded
- Supply and Supply Curve
- Law of Supply
- Determinants of Supply
- Change in Supply and Change in Quantity Supplied
- Markets and Market Equilibrium
- Excess Demand and Excess Supply
- Price Ceilings and Floors
- Price Effect of Change in Demand
- Equilibrium Effect of Change in Supply
- Simultaneous Changes in Demand and Supply
- Price Elasticity of Demand
- Determinants of Price Elasticity of Demand
- Price Elasticity of Supply
- Determinants of Supply Elasticity
- Other Elasticities
- Consumer Surplus

## **Unit 4: Firm Production, Costs, and Revenue**

Topics covered in this unit:

- Firms
- Sole Proprietorship, Partnerships, and Corporations
- Other Business Organizations
- Explicit and Implicit Costs
- Measures of Profit

- Production in the Short Run
- Fixed and Variable Resources
- Law of Diminishing Marginal Returns
- Total, Marginal, and Average Product Curves
- Short Run and Long Run Cost Curves
- Economies and Diseconomies of Scale

### **Unit 5: Market Structure**

Topics covered in this unit:

- Perfectly Competitive Markets
- Short-Run Competition and Profits
- Minimizing Short-Run Losses
- Long-Run Perfect Competition
- Efficiency
- Monopoly and Monopolistic Marginal Revenue
- Monopolistic Profit Maximization, Efficiency, and Competition
- Price-Discriminating Monopolies
- Natural Monopolies and Product Differentiation
- Oligopoly and Market Concentration
- Oligopolistic Profit Maximization
- Oligopoly Models
- Oligopoly and Perfect Competition
- Perfect Competition and Monopolistic Competition
- Mergers
- Government Regulation, Antitrust Legislation, and Deregulation

### **Unit 6: Factor Markets**

Topics covered in this unit:

- Derived Factor Demand
- Marginal Revenue Product
- Marginal Cost
- Shifts of Factor Demand
- Determinants of Elasticity of Factor Demand
- Allocation of Resources
- Wages, Salaries, and Earnings
- Labor and Market Structures
- Labor Unions
- Rent
- Interest
- Profit

### **Unit 7: Efficiency, Equity, and the Government**

Topics covered in this unit:

- Market Failures
- Externalities
- Public Goods
- Government Intervention
- Income Distribution
- Poverty

- Taxes

### **Unit 8: Preparing for the AP Exam**

- Comprehensive Microeconomics Review and AP Exam Practice