Course Essentials

AP Macro Economics is a flipped classroom, meaning that much of the course work will be posted to Canvas and students will upload their work to Canvas. We will use class time for lectures, discussions, practice, projects and testing. Students will need to join my Canvas class in order to facilitate this course.

Course Materials: The required and provided text is Krugman's Economics for AP. The text deals with micro and macroeconomics. There is additional recommended reading and students are expected to tackle them. All assignments will be posted on Canvas as well as discussed in class. The instructions on Canvas will be clear as to whether the assignment should be submitted in class or uploaded to Canvas.

Assessment: Much of the grade for the class will come from frequent assessments that follow only one or two lessons. Each unit cumulates with a unit test. In the last quarter much of the grade will be determined on a series of three mock AP finals and participation in the review.

Formative Assignments 40% - Assigned reading quizzes, class-work, participation
Summative Assignments 60% - Section/Module Tests, Unit Mastery Projects

GRADES AND ASSESSMENTS:
The following is the grade distribution that is required by the Volusia County schools. Listed are types of assignments that will count under each weighted category.

IMPORTANT
Students who take an Advanced Placement course are required to sit for the A.P. Exam in May for that course. If for any reason you do not take the A.P. Exam, you will be assessed a charge from DeLand High School and the name of your course will be changed to an "honors" or "regular" designation rather than “A.P.” This will also result in a change of weighting for the course from a 5.0 to either a 4.5 or a 4.0, which could affect your class rank and weighted grade point average.

Due to Covid-19, if any student becomes quarantined, it is essential that you make sure that you are checking the “Quarantine Plans” module on Canvas for your assignments, due dates and instructions. Canvas will be used to house our course material and MS Teams for communicating with each other.
**Summative Assignments 60%**
- Chapter Exams
- Unit Exams
- Research project/paper
- Culminating assignment
- Unit Mastery Project

**Formative Assignments 40%**
- Homework
- Quizzes
- In class assignments
- Projects/Papers
- Presentations
- Socratic Seminars

**Diagnostic Assignments 0%**
- Class Participation; Preparedness; Attendance
- Reviews
- Progress Reports

**Unit Mastery Projects:**
After each Unit students are required to submit a Unit Mastery Project demonstrating their content knowledge. The method of demonstration will be determined by the student or students. This is a summative grade.

**Academic Honesty:**
Cheating of any kind will not be tolerated. Students cheating on exams, quizzes or essays will receive a zero. Students caught aiding a student cheating will also receive a zero on the assignment. Cheating includes but is not limited to plagiarism or direct replication of another student’s work. For further information concerning academic honesty and integrity, refer to the DeLand High School Academic Integrity policy.

*Please note that these policies and guidelines are subject to change as needed. I will describe any changes to policy in writing to all students and parents.*

**Grading Policies:**
The DeLand High School prescribed grading scale will be in effect.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>I have a philosophy that all student work will be of high quality. If you turn in sub-par work, it will be returned to you ungraded (I will record a temporary grade for the assignment). You will have one week to improve the assignment to an acceptable (usually A/B) level of quality. If the second attempt is still subpar, the grades will be averaged and recorded. I reserve the right to allow further attempts if I deem your efforts to be at a high level. Under no circumstances will a third attempt be allowed with a student who shows little or no effort.</td>
</tr>
<tr>
<td>B</td>
<td></td>
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<tr>
<td>C</td>
<td></td>
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<tr>
<td>D</td>
<td></td>
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<tr>
<td>F</td>
<td></td>
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</tbody>
</table>

**Teacher’s Authority to Override Final Grade:** Teacher reserves the right to override the grade if a student’s overall performance warrants it. This refers to the final grade of the grading period, or the final grade for the course.

Failure to turn in an assignment on the due date (this includes any assignment less than half completed) will result in a zero. Student has one week from the time the assignment was due to turn in for credit. After that time, there will be no further opportunities at a makeup. At the end of every marking period, I will have a drop dead deadline ("DDD") after which no late work or makeup tests will be accepted. Make note of those crucial dates.

Plagiarism, including on homework, will result in an automatic zero and a referral to the office. No second attempts will be given in any case of plagiarism or cheating.
There will be no additional attempts allowed on Course papers/ Oral Presentations or Book Projects/Presentations for your DeLand High grade.

There may be extra credit assignments offered. While they may be optional, they are strongly recommended. Please do not count on it for grade improvement.

Assignments and Assessments:
- Traditional quizzes and tests for each unit, including multiple choice and in-class Free Response essays for exam preparation
- Research projects/papers/debates/Socratic Seminars
- Class discussions on text material and current issues
- Required readings in text, outside assigned articles, book groups, and current events

EXPECTATIONS: The key to success in this course is careful, consistent, and active preparation and participation. Nightly reading assignments and class discussions are important, as are the major tests and papers/projects. You will find that what you put into the class determines how much you get out of it.

In order to make the most of your experience in this class, please respect the following guidelines:
- **Uphold the DHS Student Conduct Code at all times.**
- Seek help when you have questions or issues. I am always eager to help you with assignments or to listen to concerns. Make an appointment or drop by when I am free. I have 2nd lunch.
- Treat your fellow classmates and me with respect and kindness, especially when there is disagreement.
- Come to class with an open mind and a willingness to learn and try new things.

Viewing of PG-13 Movie Release
Often appropriate PG-13 movies or sections of PG-13 movies can be utilized effectively to enrich classroom instruction and accomplish identified objectives. If you give permission for your child to view such materials, you do not have to do anything. (NOTE: NO “R” rated movies will ever be shown per Volusia County School Board Policy). If you do NOT wish to grant permission for your child to view any PG-13 movies identified by the teacher as effective in teaching the curriculum, please contact me via email at ggdorcy@volusia.k12.fl.us or send in a note with your student.

Course Learning Objectives
- Gain a rigorous introductory background in macroeconomics that will leave them well prepared for future, more in-depth course material in higher education or professional training.
- Understand contemporary macroeconomic issues and be able to discuss the outcomes and causes of them.
- Demonstrate knowledge of sequence and causality in historical economic issues and be able to compare and contrast them to contemporary economic events.
- Learn how major global economic institutions function and understand how they impact domestic economic and political policy.
- Understand and be able to develop informed opinion on fiscal and monetary policy.
• Gain necessary skills to allow them to navigate different financial products and instruments and be able to make more informed decisions when making investments or taking on credit.

Transferable skills as a result of taking Economics....

• Understanding that choosing means refusing – students will begin to develop more sophisticated decision-making skills.
• Gain a working knowledge of business, finance and taxation
• Have improved political efficacy as a result of better understanding the impact of economic issues on government policy and political parties
• Be able to translate economic issues such as incentives, spill-over costs, and opportunity costs to personal decisions and activities.

Additional reading:
Fun and recommended as an essential background
• Harford, Tim, The Undercover Economist
• Wheelan, Charles, The Naked Economist: Undressing the Dismal Science
• Buchholz and Feldstein, New Ideas from Dead Economists: An Introduction to Modern Economic Thought
• Pratchett, Terry, Making Money (fiction)

Historical
• Appleyby, Joyce, The Relentless Revolution A History of Capitalism
• Ferguson, Niall, The Accent of Money

Issues
• Sachs, Jeffrey: The End of Poverty: How we can make it happen in our lifetime
• Judt, Tony, Ill Fares the Land

External Resources
There are also many youtube videos available for review purposes as well as for preparing for the AP exam. ACDC Leadership also has many excellent review videos on youtube on all of the macro topics covered in this course and is highly recommended that student watch the video before and after beginning a particular unit.

Two outstanding high school teachers, Steve Reff and Dick Brunelle, have constructed a website that includes digital lessons, interactive graphs, and practice exams that are extremely valuable to both teachers and students. We will be using this website quite often in the course. You should familiarize yourself with the site as soon as possible. The Reffonomics website can be found here: http://reffonomics.com/reff/index.html.

There is also a fine companion website with additional resources for both students and instructors at: www.bfwpub.com/highschool/Krugman_AP_Macro
Another excellent review book is *AP Macro Economics Crash Course* by Jason Welker, M.Ed. It is a complete AP Macro Economics course in a concise, time-saving format. It’s a targeted review course that covers only material that will actually be tested and strategies for answering every type of question. Cost is approximately $9 on Amazon.

**Economics by Example, by David A. Anderson**
- The instructor will assign the *Economics by Example* readings after each section of the course, after the material has already been presented to keep the students engaged.
- Discussion questions from *Economics by Example* could also be used as part of take-home homework assignments, short papers, or in-class group presentations.

The table that follows shows how the sections of the textbook are paired with the chapters from Anderson’s *Economics by Example*.

<table>
<thead>
<tr>
<th>Macroeconomics Textbook Section</th>
<th>Section Title</th>
<th>Economics By Example</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Basic Economic Concepts</td>
<td>Ch 1: What’s to Love About Economics?</td>
</tr>
<tr>
<td>2</td>
<td>Supply and Demand</td>
<td>Ch 3: The Coffee Market’s Hot, Why Are Bean Prices Not?</td>
</tr>
<tr>
<td>3</td>
<td>Measurement of Economic Performance</td>
<td>Ch 21: Why Do We Neglect Leisure and Cheer for Divorce</td>
</tr>
<tr>
<td>4</td>
<td>National Income and Price Determination</td>
<td>Ch. 25: How Much Debt is Too Much?</td>
</tr>
<tr>
<td>5</td>
<td>The Financial Sector</td>
<td>Ch. 22: Does the Money Supply Matter?</td>
</tr>
<tr>
<td>6</td>
<td>Inflation, Unemployment, and Stabilization Policies</td>
<td>Ch. 19: Will Technology Put Us All Out of Work?</td>
</tr>
<tr>
<td>7</td>
<td>Economic Growth and Productivity</td>
<td>Ch. 28: Why Are Some Nations Rich and Others Poor?</td>
</tr>
<tr>
<td>8</td>
<td>The Open Economy: International Trade and Finance</td>
<td>Ch. 27: Is Globalization a Bad Word?</td>
</tr>
</tbody>
</table>
Strive for a 5 (Study Guide and Prep for AP* Exam) Macro: 1-4292-6359-8  
Margaret Ray, Mary Washington College, VA College Board Endorsed Faculty Consultant, Reader and Table Leader since 2001.  
David Mayer, Winston Churchill High School, San Antonio, TX AP Economics Table Leader for ETS/College Board; AP Economics Endorsed Consultant for the College Board’s Southwest Region.  
This unique guide reinforces the topics and key concepts to help students complete the course and prepare for the AP exam. The study guide component of Strive for a 5 provides an overview of each section and systematic module-by-module coverage, with these features:
  • Before You Read the Module  
  • While You Read the Module  
  • After You Read the Module  
  • Answer Key  
The AP preparation section begins with a diagnostic pre-test that helps students focus their test preparation time where it is most needed. Students also get preparation and study advice, including suggestions for setting a test preparation schedule, as well as sample practice tests.

AP Macro Economics Summer Assigned Reading:

‘Money for Nothing: Inside the Federal Reserve’

Where to watch: Stream on Netflix or Hulu; buy or rent on Amazon Prime Video, Apple iTunes or Google Play.

The 2013 independent documentary, “Money for Nothing: Inside the Federal Reserve,” is a nonpartisan film examining America’s central bank and its impact on both society and the economy. Not only does it feature interviews with federal officials and several renowned financial and economic experts, including Paul Volcker and Janet Yellen, but it also offers a look inside the 2008 financial crisis.

Think of this documentary as your crash course on the basics of investing and economics and learn how the decisions of the Federal Reserve can affect the lives and livelihoods of all Americans. Plus, viewers will find out about printing money and the ins and outs of a healthy economy versus an unhealthy one.
Course Outline

UPDATE FROM COLLEGE BOARD BEGINNING WITH 2023 EXAMS:
For Macroeconomics and Microeconomics, which will now allow four-function calculators, there will be no change to the type of questions students may see on the exam, the exam format (number of sections and questions), the course framework, or the skills assessed on the exam. Students will still be required to show their work, when prompted to do so on free-response calculation questions, to earn credit. Note that scientific and graphing calculators, and calculators with storage capability, won't be allowed.

More importantly, the macro CED has been updated to include monetary policy with ample reserves and a graph of the reserve market. Students will have to understand monetary policy with ample reserves and monetary policy with limited (scarce) reserves. Also, the CB is going to use the updated definitions of the monetary aggregates.

Preparing for the AP Macroeconomics Exam
- Strive for a 5: pages 319-389
  - Diagnostic Test with Answer Key (323-339)
  - Formulas of Macro (340-341)
  - Graphs (342-349)
  - Practice Test #1 with Answer Key (355-371)
  - Practice Test #2 with Answer Key (372-389)

AP Macroeconomics Exam is Thursday, May 4, 2023 at 8:00 a.m.
AP Macroeconomics Course Breakdown

**Unit 1: Basic Economic Concepts**

**Topic 1.1 - Scarcity**
- Scarcity
- Microeconomics vs. Macroeconomics
- Opportunity Cost and Trade-offs
- Four Factors of Production

**Topic 1.2 - Production Possibilities Curve**
- Efficiency and Opportunity Cost
- Law of Increasing Opportunity Costs
- Shifters of the PPC
- Capital Goods and Future Growth

**Topic 1.3 - Comparative Advantage and Trade**
- Absolute Advantage
- Comparative Advantage
- Terms of Trade

**Topic 1.4 - Demand**
- Law of Demand
- Substitution Effect and Income Effect
- Law of Diminishing Marginal Utility
- Quantity Demanded vs. Demand
- Shifters (Determinants) of Demand

**Topic 1.5 - Supply**
- Law of Supply
- Quantity Supplied vs. Supply
- Shifters (Determinants) of Supply

**Topic 1.6 - Market Equilibrium and Changes**
- Equilibrium Price and Quantity
- Disequilibrium: Surplus and Shortage
- Single Shifts
- Double Shifts
- Price Controls: Floors and Ceilings

**Unit 2: Economic Indicators and the Business Cycle**

**Topic 2.1 - Circular Flow and GDP**
- Product Market and Factor Market
- Private and Public Sector and Transfer Payments
- Gross Domestic Product (GDP)
- Expenditures Approach (C+I+G+Xn)
- Income Approach
- Value-Added Approach

**Topic 2.2 - Limitations of GDP**
- Intermediate Goods
- Nonmarket Transactions
- Household Production

**Topic 2.3 - Unemployment**
- Labor Force and Unemployment Rate
- Frictional, Structural, & Cyclical Unemployment
- Natural Rate of Unemployment (NRU)
- Discouraged Workers

**Topic 2.4 - Price Indices and Inflation**
- Inflation, Deflation, and Disinflation
- Consumer Price Index (CPI)
- Substitution Bias and Limitations of CPI

**Topic 2.5 - Costs of Inflation**
- Helped v. Hurt By Unanticipated Inflation
- Effects of Hyperinflation

**Topic 2.6 - Real v. Nominal GDP**
- Real GDP and Nominal GDP
- GDP Deflator

**Topic 2.7 - Business Cycle**
- Four Phases of the Business Cycle
- Negative Output Gap (Recessionary Gap)
- Positive Output Gap (Inflationary Gap)

**Unit 3: National Income and Price Determination**

**Topic 3.1 - Aggregate Demand (AD)**
- Aggregates and Price Level
- Wealth, Interest Rate, and Trade Effect
- Shifters of Aggregate Demand

**Topic 3.2 - Multipliers**
- Marginal Propensity to Consumer (MPC)
- Marginal Propensity to Save (MPS)
- Expenditures Multiplier
- Tax Multiplier and Disposable Income

**Topic 3.3 - Short-Run Aggregate Supply (SRAS)**
- Sticky Wages and Prices
- Shifters of Short-Run Aggregate Supply
- Inflationary Expectations
Topic 3.4- Long-Run Aggregate Supply (LRAS)
- Maximum Sustainable Capacity
- Shifters of Long-Run Aggregate Supply

Topic 3.5- Equilibrium in the AD-AS Model
- Full Employment
- Negative and Positive Output Gaps

Topic 3.6- Changes in the AD-AS Model
- Positive and Negative Demand Shocks
- Positive and Negative Supply Shocks
- Demand-Pull and Cost-Push Inflation

Topic 3.7- Long-Run Self-Adjustment
- Flexible Wages and Prices
- Economic Growth

Topic 3.8- Fiscal Policy
- Discretionary Fiscal Policy
- Expansionary v. Contractionary Policy
- Autonomous Consumption
- Time Lags

Topic 3.9- Automatic Stabilizers
- Non-Discretionary Fiscal Policy
- Social Service Programs and Taxes

Unit 4: Financial Sector

Topic 4.1- Financial Assets
- Interest Rates, Liquidity, and Risk
- Bonds and Bond Prices

Topic 4.2- Nominal v. Real Interest Rates
- Lenders and Borrowers
- Inflation and Interest Rates

Topic 4.3- Measurements and Functions of Money
- Barter System and Coincidence of Wants
- Three Functions of Money
- Money Classifications (M0, M1, and M2)
- The Monetary Base
- Topic 4.4- Banking and the Money Supply
- Fractional Reserve System
- Bank Balance Sheets and Demand Deposits
- Required Reserves and Excess Reserves
- Money Multiplier

Topic 4.5- The Money Market
- Demand and Supply of Money
- Central Banks and The Federal Reserve

Topic 4.6- Monetary Policy
- Expansionary v. Contractionary Policy
- Open-Market Operations and Discount Rate
- Federal Funds Rate
- Time Lags

Topic 4.7- The Loanable Funds Market
- Savers and Borrowers
- National Savings and Public & Private Savings
- Loanable Funds Shifters

Unit 5: Long-Run Consequences of Stabilization Policies

Topic 5.1- Fiscal and Monetary Policy Actions
- Short-Run Policy Combinations

Topic 5.2- The Phillips Curve
- Short-Run Trade Offs
- Long-Run Phillips Curve (LRPC)

Topic 5.3- Money Growth and Inflation
- Quantity Theory of Money & Velocity of Money
- Long-Run Neutrality of Money

Topic 5.4- Deficits and the National Debt
- Budget Deficit/Surplus & National Debt

Topic 5.5- Crowding Out
- Private Investment and Loanable Funds
- Short-Run and Long-Run Impact

Topic 5.6- Economic Growth
- Physical and Human Capital and Productivity
- GDP per Capita
- Aggregate Production Function

Topic 5.7- Public Policy and Economic Growth
- Public Investment and Infrastructure
- Supply-Side Fiscal Policies
Unit 6: Open Economy - International Trade and Finance

Topic 6.1 - Balance of Payments
- Closed v. Open Economies
- Current Account (CA)
- Capital and Financial Account (CFA)
- Balance of Trade and Trade Surplus/Deficit
- Financial Capital Outflow and Inflow

Topic 6.2 - Exchange Rates
- Appreciation and Depreciation

Topic 6.3 - The Foreign Exchange Market
- Demand and Supply of Currency
- Shifters of Currency Demand and Supply

Topic 6.4 - Effect of Changes in Policies and Conditions
- Effects of Tariffs and Quotas
- Fixed Exchange Rate

Topic 6.5 - Changes in Foreign Exchange and Net Exports
- Effects on Net Exports
- Connection to AD-AS Model

Topic 6.6 - Real Interest Rates and Capital Flows
- Relative Interest Rates
- Connection to Loanable Funds Market

Essential Graphs
1. Production Possibilities Curve
2. Aggregate Demand and Supply and LRAS
3. The Money Market
4. The Loanable Funds Market
5. The Philips Curve
6. Foreign Exchange (FOREX)

Key Skills
1. Identify comparative advantage and terms of trade
2. Calculate GDP and use the GDP Deflator
3. Identify who is helped and hurt by inflation
4. Use the shifters of aggregate demand and supply
5. Calculate and use spending multiplier
6. Explain how economy self-adjusts in the long-run
7. Read and manipulate bank balance sheets
8. Calculate and use the money multiplier
9. Explain open market operations
10. Explain short-run and long-run effects of investment
11. Categorize transactions with balance of payments
12. Explain how exchange rates effect net exports
DeLand High School Student Academic Integrity Policy

In a world of ever-changing priorities one constant is the need for ethical academic standards. The guidelines presented in the policy below show student expectations regarding cheating, plagiarism and academic honesty. These guidelines and expectations cover all school related projects, reports, tests, quizzes and assignments whether in or outside of class. By signing this statement students acknowledge their understanding of the stated expectations and possible consequences.

According to Merriam-Webster Dictionary (http://www.m-w.com/) to plagiarize is: “To steal and pass off (the ideas or words of another) as one’s own: use (another’s production) without crediting the source. To commit literary theft: present as new and original an idea or product derived from an existing source.”

At DeLand High School plagiarism includes but is not limited to:

- Using another person’s words or ideas (written or spoken) without giving credit to the source.
- Copying and pasting material from any source including the Internet without giving attribution to the writer. You must put quotation marks around direct quotes and give credit in your works cited list.
- Changing the words or order of words from another source and submitting them as your own. Even with proper paraphrasing you must give credit to the source of the materials.

“When you use someone else’s words, you must put quotation marks around them and give the writer or speaker credit by revealing the source in a citation. Even if you revise or paraphrase the words of someone else or just use their ideas, you still must give the author credit in a note. Not giving due credit to the creator of an idea or writing is very much like lying.”

Dr. Robert Harris - Virtual Salt Anti-plagiarism Strategies - http://www.virtualsalt.com/antiplag.htm

According to Merriam-Webster Dictionary (http://www.m-w.com/) to cheat means: “to get something by dishonesty or deception.”

At DeLand High School cheating includes but is not limited to:

- Copying an assignment from another person without explicit permission from the teacher. This includes sharing work that should be individually produced and includes obtaining answers from another student with or without their permission.
- Using, supplying or communicating with unauthorized devices with the intent of deception. This will include but is not limited iPod, calculator, camera, textbook, recorder, computer, phone, etc.
- Failing to follow teacher guidelines regarding collaboration, parent help, etc. Students will be expected to complete work independently unless specifically directed otherwise by the teacher.

POSSIBLE CONSEQUENCES:
First Offense: Zero on assignment
Second Offense: Parent notification
Third Offense: Parent/student/teacher/ Referral to administration,
Referral to counselor, counselor conference, Suspension from extracurricular activities, elected offices and/or Senior privileges.

Student Name (Print) ____________________________ Alpha Code: ________

Student Signature _______________________________

Parent Signature: ________________________________

Portions adapted from John F. Kennedy H.S., Norcross H.S. and Langley H.S. policies with their permission. Updated December 2007
Dear Parents and Students:

In an effort to “go green” at DHS, the syllabus, grading policies and procedures, and class rules for this class will be posted on Canvas as well as on the school website for you to access at any time.

If you do not have access to a computer, see me and I will run a copy of the information for your child. Please sign below indicating your receipt of this information. I am looking forward to a successful school year. Feel free to contact me by email if you have any questions.

Sincerely,

Mrs. G. Dorcy

SIGNATURE PAGE MUST BE RETURNED TO MRS. DORCY BY NEXT CLASS!

Student’s Printed Name: __________________________ ALPHA Code: _____ Period: _____

I have read and understood the information on this page and on the website and understand the rules, policies and expectations of this course.

Parent or guardian signature: ____________________________________________ Dated: ___________

Student’s Signature: ______________________________________________________ Dated: ___________

Viewing of PG-13 Movie Release
Helping your student become a lifelong learner is a primary goal in my classroom. I want my students to discover that learning can be a source of enjoyment. As a result, I will use a wide range of non-traditional instructional materials of high academic merit including popular literature, appropriate and instructionally related movies such as documentaries and/or movie clips rated G, PG and PG-13. If you feel that certain material may not be appropriate for your student, please notify me now about your concerns. Your signature below will serve as your consent for your student to use all of the alternative instructional materials as described above.

Parent or guardian signature: ____________________________________________ Dated: ___________

Contact Information

Parent Information (please print)
Full name of parent or guardian ____________________________________________________________

Address ______________________________________________________________________________________

Home phone number ___________________ Best time to reach you ________________________________

Cell phone number ______________________ Best time to reach you ______________________________

E-mail address (very important) ________________________________