***Modified AP Macroeconomics syllabus:***

**Review key concepts:**

 Economic Systems (Ch. 8 & 9)

 Production Possibilities Curve (opportunity cost, scarcity)

 Externalities (Ch. 1 & 2; 758-774)

 GDP/GNP (Ch. 5 & 6)

 Supply, Demand, equilibrium (price determination, surplus, shortage) (Ch. 3 & 4)

 Elasticity (Ch. 20 & 21)

 Capital (types) (Ch. 2)

Price ceilings and floors (Ch. 33)

Absolute vs Comparative advantage (Ch. 2)

**Business Cycle:**

Depression/Recession/Expansion (Ch. 7 & 8)

Inflation: (Ch. 7)

 CPI

 Real vs. Nominal (Ch. 8)

 Push/Pull Effect

 Stabilization Policies (Ch. 17)

 MPC/MPS (Ch. 12)

 Unemployment: (Ch. 7)

 Full employment

 GDI (Ch. 8)

 Price Determination (Ch. 23 – 27)

Different Economic Systems (perfect competition, monopoly, monopsony, oligopoly)

 Game Theory (Ch. 26)

 Prisoners’ Dilemma (p. 599)

**Fiscal Policy:**

 Government intervention? Long vs Short Run models

 Revisit price ceilings/floors (Ch. 33)

 Balanced Budget (deficit, budget ceiling) (Ch. 14)

 Government Corrections (externalities revisited)

 Taxes (taxation multipliers) (Ch. 32)

 Supply-side policies (p. 286)

 Laffer curve (p. 287)

 Government Expenditure

Transfer payments (Social Welfare/SSI/Medicare/public policy) (Ch. 5)

Public Goods

Freerider and Tragedy of the Commons (Ch. 5)

**Money and Banking:**

 What is money? (Ch. 15)

 Role of the Federal Reserve (money supply, regulations, discount rate) (Ch. 15)

 Banks (assets, demand accounts, loanable funds) (Ch. 16)

 Money Multiplier (Ch. 15)

 Monetarist, Keynesian, classical views (Ch. 11, 15)

**Economics of Trade:**

 Absolute advantage (Ch. 2)

 Comparative Advantage (Ch. 2)

 Trade – Imports/Exports (specialization) (Ch. 32, p.308)

 Free trade vs. protectionism (p. 203, Ch. 32)

 Tariffs and non-tariff trade restrictions

 Trade blocs

 Balance of payments (Ch. 33)

 Trade surplus/deficit (Ch. 32)

 Currency value/Exchange rates (Ch. 33)

 Gold Standard

 Pegged

 Float

Agenda will be on the board daily

Warm Up exercise either on the white board or smart board –question may be a review of old material or covering new material to gage your understanding.