

Margaret Ray

AP Economics, Micro and Macro

June 26-29, 2018 – University High School, Morgantown, WV

2018 Institute information

This AP Summer Institute Workshop will provide a comprehensive overview of all aspects of the AP economics experience and examination (both macro and micro). It will begin with a discussion of course resources and the exam itself. We will discuss and model teaching strategies, classroom activities, and the use of technology for teaching economic concepts and preparing students for the AP economics exams. The workshop will include a mock AP exam scoring. We will have daily discussions and classroom activity demonstrations. There will also be time set aside for best practices, so feel free to bring anything you would like to use to present yours to the group (or plan to simply explain your best practice – no materials required)!

Institute Schedule

We will begin the institute with a survey to determine the number of teachers who teach micro/macro/both and the mix of new/experienced AP Economics teachers. The survey, along with the content areas identified by participants, will determine the specific schedule for each day. Share the topics and questions you would most like to address during the week!

Day 1: Introduction (Homework: comparative advantage worksheet, S&D graph)

- Participant Survey
- Introductions (me, participants, this workshop, AP Econ courses)
- Resources and pacing
- Basic economic concepts

Day 2: Macro (Homework: FRQ - Andersonland)

- Go over homework, questions
- Macro Content
- Macro Activities

Day 3: Micro (Homework: FRQ (Avocados), Be ready to present a “Best Practice” tomorrow)

- Go over homework, questions
- Micro Content
- Micro Activities
- Macro Mock Grading

Day 4: Exam Preparation (Homework: prepare for your AP Econ course(s) and let me know if I can help1)

- Go over homework, questions, Best Practices
- Reviewing and test Prep
- Micro Mock Grading

Graduate Credit: Those seeking graduate credit must complete an additional 15 hours of institute work. More information will be provided on the first day of the institute. Please let me know if you are planning to complete additional work to receive graduate credit.

Homework

“Graph the effect on equilibrium price and quantity in the market for _____ SUV’s _____ if there is a change (increase) in _____ the price of gasoline_____.

Assume the economy of Andersonland is in a long-run equilibrium with full employment. In the short run, nominal wages are fixed.

(a) Draw a correctly labeled graph of short-run aggregate supply, long-run aggregate supply, and aggregate

demand. Show each of the following.

(i) Equilibrium output, labeled Y1

(ii) Equilibrium price level, labeled PL1

(b) Assume that there is an increase in exports from Andersonland. On your graph in part (a), show the effect of

higher exports on the equilibrium in the short run, labeling the new equilibrium output and price level Y2

and PL2, respectively.

(c) Based on your answer in part (b), what is the impact of higher exports on real wages in the short run? Explain.

(d) Due to increased exports, export-oriented industries in Andersonland increase expenditures on new container ships/equipment.

(i) What component of aggregate demand will change?

(ii) What is the impact on the long-run aggregate supply? Explain.

Assume the market for avocados is perfectly competitive. The typical firm is earning positive economic profit in the s-r equilibrium.

(a) Draw a correctly labeled graph for the typical firm, illustrating the short-run equilibrium and labeling the equilibrium market price and output PE and QE, respectively.

(b) Assume there is an increase in the market wage rate for labor, a variable input. Show on your graph in part (a) the effect of the wage increase on the marginal cost curve in the short run.

(c) Assume that avocado producers hire workers from a perfectly competitive labor market. Draw a graph of labor supply and demand for the typical firm and label the supply curve MFC and the demand curve MRP. Assume the market wage rate increases from w_1 to w_2 . Show the effect of the wage increase on the graph, labeling the initial quantity of labor hired QL1 and the new quantity of labor hired QL2.