

## Specific Learning Goals/Benchmarks and Student Assessment

### AP Macroeconomics

Unit	#	Benchmark	Assessment					
1	1	Define the science of economics						
1	2	Distinguish between opportunity cost, scarcity, and tradeoffs						
1	3	Distinguish between macroeconomics and microeconomics						
1	4	Use a production possibilities curve to demonstrate opportunity cost and growth						
2	5	List the three basic economic questions						
2	6	List the economics roles of Government						
3	7	List the determinants of demand and supply						
3	8	Recognize which factors will cause demand curves or supply curves to shift						
3	9	Distinguish between changes in quantity demanded and a change in demand						
3	10	Distinguish between changes in quantity supplied and a change in supply						
3	11	Determine effects on price and quantity when equilibrium changes						
4	12	Describe the macroeconomic performance of the United States and other countries—gross domestic product (GDP), inflation, unemployment, and other indicators						
4	13	Define GDP by expenditure and income approaches						
4	14	Distinguish between nominal GDP and real GDP						
4	15	Explain the limitations of GDP measures						
4	16	Define unemployment; list sources and types						
4	17	Define the labor-force participation rate						

4	18	Define the full-employment level of GDP						
4	19	Distinguish between actual and potential GDP						
4	20	Explain the calculation of price indices—GDP deflator, consumer price index (CPI), and producer price index (PPI)						
4	21	Use price indices to calculate real wages and real interest rates						
4	22	Assess the role of productivity in raising real output and standard of living						
5	23	List the determinants of aggregate demand (AD)						
5	24	Distinguish between changes in AD and a change in price level causing movement along the AD curve						
5	25	List reasons why the AD curve is down sloping						
5	26	List the determinants of aggregate supply (AS)						
5	27	Distinguish between changes in AS and a change in price level causing movement along the AS curve						
5	28	Explain and demonstrate the shape of the AS curve in the short run and long run; define and show the full-employment level of output (Q <sub>f</sub> )						
5	29	Determine the importance of the shape of the AS curve on the effects of change in the AD curve						
5	30	Determine equilibrium using an AD/AS graph and show the effects on price level and real GDP when equilibrium changes in both the long run and the short run						
5	31	Given data, determine the size of the spending multiplier and assess its impact on AD						
5	32	Define fiscal policy—discretionary and nondiscretionary						
5	33	Define and measure the effect of built-in stabilizers on the economy						
5	34	Using AD/AS analysis, show the effect on price level and real gross domestic product (RDGP) of changes in fiscal policy						
5	35	Define the taxing multiplier						
5	36	Distinguish between sticky price and sticky wage models and flexible price and flexible wage models; identify the effect of these differences on the AS curve						

5	37	Define economic growth and list the factors that stimulate growth						
5	38	Suggest how public policies stimulate economic growth						
6	39	Define and list factors influencing money demand						
6	40	Define money supply and other financial assets						
6	41	Demonstrate understanding of the time value of money						
6	42	Define a fractional banking system						
6	43	Explain the role of the Federal Reserve System in the economy						
6	44	Identify and examine the tools of central bank policy and their impact on money supply and interest rates						
6	45	Describe the process of money creation and multiple-deposit expansion						
6	46	Given data, determine the size of the money multiplier and assess its impact on the money supply						
6	47	Distinguish between nominal and real interest rates						
6	48	Define the quantity theory of money (Money Market)						
7	49	Assess the effect of fiscal and monetary policy on real output, price level, and the level of employment in the long run and the short run						
7	50	Gain understanding of how an economy responds to a short-run shock and adjusts in the long run in the absence of any public policy actions						
7	51	Examine the economic effects of government deficit budgets, including "crowding out"						
7	52	Consider issues surrounding the size and burden of the national debt						
7	53	Gain understanding of inflation-unemployment tradeoffs using short-run and long-run Phillips curve analysis						
7	54	Show the causes of inflation on an AD/AS model						
7	55	Speculate on the role of inflationary expectations on price level and output						



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1	1	Define the science of economics						
1	2	Distinguish between opportunity cost, scarcity, and tradeoffs						
1	3	Distinguish between macroeconomics and microeconomics						
1	4	Make a distinction between positive economics and normative economics						
1	5	List the three basic economic questions						
1	6	Use a production possibilities curve to demonstrate, trade-offs opportunity cost and growth						
1	7	Use a circular flow diagram to model a market						
1	8	List the economic functions of government						
1	9	Identify and distinguish between the factors of production						
1	10	Explain the importance of incentives						
3	11	List the determinants of demand and supply						
3	12	Recognize which factors will cause demand curves or supply curves to shift						
3	13	Distinguish between changes in quantity demanded and a change in demand						
3	14	Distinguish between changes in quantity supplied and a change in supply						
3	15	Determine equilibrium using a demand/supply graph, and show the effects on price and quantity when equilibrium changes						
3	16	Distinguish between a normal and an inferior good						
3	17	Distinguish between a substitute and a complementary good						

3	18	Apply the College Board's rules on graphing						
5	19	Make a distinction between the short run and the long run						
8	20	Define comparative advantage and specialization and benefits of exchange						
9	21	Calculate elasticity using the midpoint formula						
9	22	Use demand-and-supply graphs to show the effect of differences in elasticity						
9	23	Define the law of diminishing marginal utility						
9	24	Use the income effect and the substitution effect to explain the down-sloping demand curve						
9	25	Apply the utility-maximizing rule						
9	26	Given a demand/supply graph, identify/calculate the area of consumer surplus/producer surplus						
9	27	Given a graph, identify the incidence of a tax on buyers and sellers and the deadweight loss						
10	28	Distinguish economic profit from accounting profit						
10	29	Define the law of diminishing marginal returns						
10	30	Identify per unit costs when given total costs and output; identify total costs when given per unit costs output						
10	31	Use the profit-maximizing rule ( $MR = MC$ ) to determine output price for firms in the different types of market structure						
11	32	Predict the effect of an effective price ceiling or floor in a market						
11	33	Given a graph, identify/calculate the area of consumer surplus/producer surplus when government imposes a tariff						
11	34	Define a public good						
11	35	Discuss the free rider problem						
11	36	List the effect of income and payroll taxes on the economy						

11	37	Identify the two principles used to assess fairness of a tax						
11	38	Explain negative and positive externalities and give examples of each						
11	39	Identify the possible remedies for market failures that might be employed to achieve a socially optimal allocation of resources						
12	40	Identify the key characteristics of the different types of market structure						
12	41	Determine short-run and long-run profit in the different types of market structure						
12	42	In words and using graphical analysis, show the short-run and the long-run equilibria of the purely competitive firm						
13	43	In words and using graphical analysis, show the profit scenario of a single price monopolist and a perfectly price-discriminating monopolist						
13	44	Identify the government policies employed when a firm exercises monopoly power or is a natural monopoly						
13	45	In words and using graphical analysis, show the equilibrium of the monopolistically competitive firm in the short run and the long run						
13	46	Predict the behavior of oligopolistic firms using game theory and profit matrixes						
14	47	Define derived demand						
14	48	Given a graph or a firm's production schedule (function) and a market wage, determine the quantity of labor a profit-maximizing firm would hire in a perfectly competitive labor market						
14	49	Given a graph or a firm's production schedule (function), determine the market wage and the quantity of labor a profit-maximizing firm would hire in an imperfectly competitive labor mkt						

