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AP[®] Microeconomics

COURSE AND EXAM DESCRIPTION

**Effective
Fall 2020**



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AP[®] **Microeconomics**

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AP COURSE AND EXAM DESCRIPTIONS ARE UPDATED PERIODICALLY

Please visit AP Central (apcentral.collegeboard.org) to determine whether a more recent course and exam description is available.

Introduction

The AP Microeconomics course outlined in this framework reflects a commitment to what economics teachers, professors, and researchers have agreed is the main goal of a college-level microeconomics course: to introduce students to the principles that apply to individual economic decision-makers.

The *AP Microeconomics Course and Exam Description* defines concepts, skills, and understandings required by representative colleges and universities for granting college credit and placement. The course prepares students to think like economists by using principles and models to describe economic situations and predict and explain outcomes. Like economists, students do so by using graphs, charts, and data.

Although the course framework is designed to provide a clear and detailed description of the course content and skills, it is not a curriculum. A college-level textbook that covers the required course content should be used, and teachers create their own curricula to meet the needs of their students and any state or local requirements.

Course Framework Components

Overview

This course framework provides a clear and detailed description of the course requirements necessary for student success.

The course framework includes two essential components:

1 COURSE SKILLS

The course skills are central to the study and practice of economics. Help students develop and apply the described skills on a regular basis over the span of the course.

2 COURSE CONTENT

The course content is organized into commonly taught units of study that provide a suggested sequence for the course. These units comprise the content and conceptual understandings that colleges and universities typically expect students to master to qualify for college credit and/or placement. This content is grounded in big ideas, which are cross-cutting concepts that build conceptual understanding and spiral throughout the course.

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AP MICROECONOMICS

Course Skills

The AP Economics skills describe what a student should be able to do while exploring course concepts. The table that follows presents these skills, which students should develop during the AP Microeconomics and AP Macroeconomics courses. These skills form the basis of the tasks on the AP Exam.

The unit guides later in this publication embed and spiral these skills throughout the course, providing teachers with one way to integrate the skills in the course content with sufficient repetition to prepare students to transfer those skills when taking the AP Exam. Course content may be paired with a variety of skills on the AP Exam.

More detailed information about teaching the course skills can be found in the Instructional Approaches section of this publication.



AP Economics Skills

Skill Category 1	Skill Category 2	Skill Category 3	Skill Category 4
Principles and Models 1 Define economic principles and models.	Interpretation 2 Explain given economic outcomes.	Manipulation 3 Determine outcomes of specific economic situations.	Graphing and Visuals 4 Model economic situations using graphs or visual representations.

SKILLS			
1.A Describe economic concepts, principles, or models.	2.A Using economic concepts, principles, or models, explain how a specific economic outcome occurs or what action should be taken in order to achieve a specific economic outcome.	3.A Determine the outcome of an economic situation using economic concepts, principles, or models.	4.A Draw an accurately labeled graph or visual to represent an economic model or market.
1.B Identify an economic concept, principle, or model illustrated by an example.	2.B Using economic concepts, principles, or models, explain how a specific economic outcome occurs when there are multiple contributing variables or what multiple actions should be taken in order to achieve a specific economic outcome.	3.B Determine the effect(s) of one or more changes on other economic markets.	4.B Demonstrate your understanding of a specific economic situation on an accurately labeled graph or visual.
1.C Identify an economic concept, principle, or model using quantitative data or calculations.	2.C Interpret a specific economic outcome using quantitative data or calculations.	3.C Determine the effect(s) of a change in an economic situation using quantitative data or calculations.	4.C Demonstrate the effect of a change in an economic situation on an accurately labeled graph or visual.
1.D Describe the similarities, differences, and limitations of economic concepts, principles, or models.			

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AP MICROECONOMICS

Course Content

Based on the Understanding by Design® (Wiggins and McTighe) model, this course framework provides a clear and detailed description of the course requirements necessary for student success. The framework specifies what students must know, be able to do, and understand, with a focus on big ideas that encompass core principles and theories of the discipline. The framework also encourages instruction that prepares students for advanced economics coursework.

Big Ideas

The big ideas serve as the foundation of the course and allow students to create meaningful connections among concepts. They are often abstract concepts or themes that become threads that run throughout the course. Revisiting the big ideas and applying them in a variety of contexts allows students to develop deeper conceptual understanding. Below are the big ideas of the course and a brief description of each:

BIG IDEA 1: SCARCITY AND MARKETS (MKT)

Limited resources and unlimited wants result in the need to make choices. In a market economy, the choices of buyers and sellers determine market prices and the allocation of scarce resources.

BIG IDEA 2: COSTS, BENEFITS, AND MARGINAL ANALYSIS (CBA)

There are trade-offs associated with any decision. Making optimal decisions requires evaluating the additional costs and benefits of possible actions.

BIG IDEA 3: PRODUCTION CHOICES AND BEHAVIOR (PRD)

Firms seek to minimize costs and maximize profits, which influences their production decisions in the short run and long run.

BIG IDEA 4: MARKET INEFFICIENCY AND PUBLIC POLICY (POL)

Private markets can fail to allocate resources efficiently, and well-designed public policy can endeavor to promote greater efficiency and equity in the economy.

UNITS

The course content is organized into commonly taught units. The units have been arranged in a logical sequence frequently found in many college courses and textbooks.

The six units in AP Microeconomics and their weighting on the multiple-choice section of the AP Exam are listed below.

Pacing recommendations at the unit level and on the Course at a Glance provide suggestions for how to teach the required course content and administer the Personal Progress Checks. The suggested class periods are

based on a schedule in which the class meets five days a week for 45 minutes each day, with the assumption that there are approximately 70 instructional days per semester. While these recommendations have been made to aid planning, teachers should of course adjust the pacing based on the needs of their students, alternate schedules (e.g., block scheduling), or their school's academic calendar.


TOPICS

Each unit is broken down into teachable segments called topics. The topic pages (starting on page 34) contain the required content for each topic.

Units	Exam Weighting
Unit 1: Basic Economic Concepts	12–15%
Unit 2: Supply and Demand	20–25%
Unit 3: Production, Cost, and the Perfect Competition Model	22–25%
Unit 4: Imperfect Competition	15–22%
Unit 5: Factor Markets	10–13%
Unit 6: Market Failure and the Role of Government	8–13%

Spiraling the Big Ideas

The following table shows how the big ideas spiral across units.

Big Ideas	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6
	<i>Basic Economic Concepts</i>	<i>Supply and Demand</i>	<i>Production, Cost, and the Perfect Competition Model</i>	<i>Imperfect Competition</i>	<i>Factor Markets</i>	<i>Market Failure and the Role of Government</i>
Scarcity and Markets MKT	✓	✓				
Costs, Benefits, and Marginal Analysis CBA	✓		✓			
Production Choices and Behavior PRD			✓	✓	✓	
Market Inefficiency and Public Policy POL		✓				✓

Course at a Glance

Plan

The Course at a Glance provides a useful visual organization of the AP Microeconomics curricular components, including:

- Sequence of units, along with approximate weighting and suggested pacing. Please note, pacing is based on 45-minute class periods, meeting five days each week for a full academic semester.
- Progression of topics within each unit.
- Spiraling of the big ideas and skills across units.

Teach

SKILL CATEGORIES

Skill categories spiral throughout the course.

- | | |
|--------------------------------|-------------------------------|
| 1 Principles and Models | 3 Manipulation |
| 2 Interpretation | 4 Graphing and Visuals |

BIG IDEAS

Big ideas spiral across topics and units.

- | | |
|---|--|
| MKT Scarcity and Markets | PRD Production Choices and Behavior |
| CBA Costs, Benefits, and Marginal Analysis | POL Market Inefficiency and Public Policy |

Assess

Assign the Personal Progress Checks—either as homework or in class—for each unit. Each Personal Progress Check contains formative multiple-choice and free-response questions. The feedback from the Personal Progress Checks shows students the areas where they need to focus.

UNIT
1

Basic Economic Concepts

~9–11 Class Periods

12–15% AP Exam Weighting

MKT	1.1 Scarcity
1	
MKT	1.2 Resource Allocation and Economic Systems
1	
MKT	1.3 Production Possibilities Curve
4	
MKT	1.4 Comparative Advantage and Trade
1	
CBA	1.5 Cost-Benefit Analysis
1	
CBA	1.6 Marginal Analysis and Consumer Choice
2	

Personal Progress Check 1

Multiple-choice: ~20 questions
Free-response: 2 questions

- Short
- Short

UNIT
2

Supply and Demand

~13–15 Class Periods

20–25% AP Exam Weighting

MKT	2.1 Demand
4	
MKT	2.2 Supply
4	
MKT	2.3 Price Elasticity of Demand
3	
MKT	2.4 Price Elasticity of Supply
3	
MKT	2.5 Other Elasticities
3	
MKT	2.6 Market Equilibrium and Consumer and Producer Surplus
2	
MKT	2.7 Market Disequilibrium and Changes in Equilibrium
3	
POL	2.8 The Effects of Government Intervention in Markets
4	
POL	2.9 International Trade and Public Policy
4	

Personal Progress Check 2

Multiple-choice: ~25 questions
Free-response: 2 questions

- Short
- Short

UNIT 3

Production, Cost, and the Perfect Competition Model

~11–13 Class Periods | 22–25% AP Exam Weighting

PRD 1	3.1 The Production Function
PRD 4	3.2 Short-Run Production Costs
PRD 1	3.3 Long-Run Production Costs
CBA 1	3.4 Types of Profit
CBA 2	3.5 Profit Maximization
PRD 2	3.6 Firms' Short-Run Decisions to Produce and Long-Run Decisions to Enter or Exit a Market
PRD 4	3.7 Perfect Competition

Personal Progress Check 3

Multiple-choice: ~20 questions

Free-response: 2 questions

- Short
- Short

UNIT 4

Imperfect Competition

~8–10 Class Periods | 15–22% AP Exam Weighting

PRD 1	4.1 Introduction to Imperfectly Competitive Markets
PRD 4	4.2 Monopoly
PRD 4	4.3 Price Discrimination
PRD 4	4.4 Monopolistic Competition
PRD 2	4.5 Oligopoly and Game Theory

Personal Progress Check 4

Multiple-choice: ~15 questions

Free-response: 2 questions

- Short
- Long

UNIT 5

Factor Markets

~6–8 Class Periods | 10–13% AP Exam Weighting

PRD 1	5.1 Introduction to Factor Markets
PRD 3	5.2 Changes in Factor Demand and Factor Supply
PRD 2	5.3 Profit-Maximizing Behavior in Perfectly Competitive Factor Markets
PRD 2	5.4 Monopsonistic Markets

Personal Progress Check 5

Multiple-choice: ~10 questions

Free-response: 1 question

- Short

UNIT
6

Market Failure and the Role of Government

~9–11

Class
Periods

8–13%

AP Exam
Weighting

POL

2

6.1 Socially Efficient and Inefficient Market Outcomes

POL

4

6.2 Externalities

POL

1

6.3 Public and Private Goods

POL

4

6.4 The Effects of Government Intervention in Different Market Structures

POL

1

6.5 Inequality

Personal Progress Check 6

Multiple-choice: ~15 questions

Free-response: 2 questions

- Short
- Long