

AP Microeconomics studies the behavior of individuals and businesses as they exchange goods and services in the marketplace. Students will learn why the same product costs different amounts at different stores, in different cities, at different times. They'll also learn to spot patterns in economic behavior and how to use those patterns to explain buyer and seller behavior under various conditions. Microeconomics studies the economic way of thinking, understanding the nature and function of markets, the role of scarcity and competition, the influence of factors such as interest rates on business decisions, and the role of government in promoting a healthy economy. The equivalent of a 100-level college course, AP Microeconomics prepares students for the AP exam and for further study in business, history, and political science.

This course has been authorized by the College Board® to use the AP designation.

*Advanced Placement® and AP® are registered trademarks and/or owned by the College Board, which was not involved in the production of, and does not endorse this product.

Length: One semester

UNIT 1: WHAT IS ECONOMICS?

LESSON 1: WHAT IS ECONOMICS?

Practice: Introducing Microeconomics

Go over the format and goals of the course. See how to succeed in the course and what to expect on the AP exam.

Duration: 0 hrs 30 mins

Discuss: Why Study Economics?

Before exploring the details of microeconomics, discuss **your** definition of economics and reasons for studying it with your classmates.

Duration: 0 hrs 30 mins Scoring: 10 points

Study: Introduction to Economics

Explore the basics of economics, including goods, services, markets, and a fundamental concept of economics: scarcity.

Duration: 1 hr 15 mins

Discuss: Scarcity and Value

Discuss concepts of scarcity and value.

Duration: 0 hrs 30 mins Scoring: 10 points

Study: Economic Tools: Graphs and Equations

Review basic concepts about graphs, equations, slopes and intercepts and see how to apply these skills as you work with income graphs and formulas.

Duration: 1 hr

Study: Economic Systems

Examine the major questions each economic society faces and explore the different ways traditional, command, and mixed economies answer these questions.

Duration: 1 hr 15 mins

Quiz: Wrap-Up

Answer questions to assess your understanding of the content.

Duration: 0 hrs 45 mins Scoring: 20 points

LESSON 2: WRAP-UP

Review: What Is Economics?

Review your studies of basic economic terms.

Duration: 2 hrs

Practice: What is Economics?

Using common economic terms, complete a crossword puzzle.

Duration: 0 hrs 30 mins

Discuss: Cram Session

Discuss economic terms and other areas about which you are unclear.

Duration: 0 hrs 30 mins Scoring: 10 points

Test (CS): What Is Economics?

Duration: 0 hrs 40 mins Scoring: 90 points

Test (TS): What Is Economics?

Duration: 0 hrs 20 mins Scoring: 45 points

UNIT 2: BASIC ECONOMIC CONCEPTS**LESSON 1: COSTS, BENEFITS, AND PPF****Study: Costs and Benefits**

Examine definitions of costs and benefits and the idea of self-interest. Analyze decision alternatives by considering the opportunity costs.

Duration: 1 hr 15 mins

Discuss: Weighing Costs and Benefits

Discuss how you would weigh costs and benefits in various situations.

Duration: 0 hrs 30 mins Scoring: 10 points

Study: Production Possibilities Frontier

See how economists use a Production Possibilities Frontier (*PPF*) graph to analyze the opportunity costs of a decision.

Duration: 1 hr 30 mins

Practice: Investigate the PPF

Investigate the PPF curve and factors that affect it.

Duration: 0 hrs 30 mins Scoring: 20 points

Practice: Apply Concepts of Basic Economics

Use the tools of the *PPF* and marginal analysis to answer questions about production, cost, trade, and value.

Duration: 1 hr Scoring: 60 points

Quiz: Wrap-Up

Answer questions to assess your understanding of the content.

Duration: 0 hrs 45 mins Scoring: 20 points

LESSON 2: PRODUCTION AND TRADE**Study: Individual Production and Trade**

Look at issues related to specialization and trade. Explore the use absolute advantage and comparative advantage to rank producers' ability to produce goods.

Duration: 1 hr 30 mins

Practice: Investigate Absolute and Comparative Advantage

Practice calculating comparative and absolute advantage.

Duration: 0 hrs 30 mins Scoring: 20 points

Discuss: Comparative Advantage

Answer a classmate's question about comparative advantage, and pose a question for another classmate.

Duration: 0 hrs 30 mins Scoring: 10 points

Study: National Production and Trade

Look at the *PPF* for an entire economy and examine the issues related to trade between countries.

Duration: 1 hr 30 mins

Practice: Apply Concepts of Production and Trade

Apply the concepts of comparative advantage and specialization to questions about individual and national production.

Duration: 1 hr Scoring: 60 points

Quiz: Wrap-Up

Answer questions to assess your understanding of the content.

Duration: 0 hrs 45 mins Scoring: 15 points

LESSON 3: THE SCIENTIFIC TOOLS OF ECONOMICS**Study: The Scientific Method**

See how economists, and other scientists, develop theories and test their ideas.

Duration: 1 hr 30 mins

Discuss: Economics and the Scientific Method

Discuss the particular challenges faced by economists using the scientific method.

Duration: 0 hrs 30 mins Scoring: 10 points

Study: Theories and Models

Explore the various ways ideas can be represented as models. Look at four types of models: verbal, numeric, graphic, and algebraic.

Duration: 1 hr 15 mins

Quiz: Wrap-Up

Answer questions to assess your understanding of the content.

Duration: 0 hrs 45 mins Scoring: 10 points

LESSON 4: WRAP-UP**Review: Basic Economic Concepts**

Review your studies of basic economic concepts.

Duration: 2 hrs

Practice: Basic Economic Concepts

Using common economic terms and concepts, complete a crossword puzzle.

Duration: 0 hrs 30 mins

Discuss: Cram Session

Discuss basic economic concepts and areas about which you are unclear.

Duration: 0 hrs 30 mins Scoring: 10 points

Test (CS): Basic Economic Concepts

Duration: 0 hrs 40 mins Scoring: 90 points

Test (TS): Basic Economic Concepts

Duration: 0 hrs 20 mins Scoring: 45 points

UNIT 3: DEMAND, SUPPLY, ELASTICITY, AND CONSUMER CHOICE**LESSON 1: DEMAND****Study: Demand**

Explore the basics of consumer demand, and see how to make a demand curve.

Duration: 1 hr

Practice: Investigate Demand

Practice using demand schedules and demand curves.

Duration: 0 hrs 30 mins Scoring: 20 points

Study: Determinants of Demand

See what affects consumer demand and how those effects are shown on a graph.

Duration: 1 hr 15 mins

Practice: Investigate Shifts of Demand Curves

Practice shifting demand curves.

Duration: 0 hrs 30 mins Scoring: 20 points

Practice: Apply Concepts of Demand and Shifts of Demand Curves

Answer questions on demand and the determinants of demand.

Duration: 1 hr Scoring: 60 points

Quiz: Wrap-Up

Answer questions to assess your understanding of the content.

Duration: 0 hrs 45 mins Scoring: 10 points

LESSON 2: SUPPLY**Study: Supply**

Examine supply curves, and see how to make a supply curve.

Duration: 1 hr 15 mins

Practice: Investigate Supply

Practice using supply schedules and supply curves.

Duration: 0 hrs 30 mins Scoring: 20 points

Study: Determinants of Supply

See what affects suppliers' decisions to make and sell a good or service and how to show the effects graphically.

Duration: 1 hr 15 mins

Discuss: Another Determinant of Supply?

Explain your opinion about a possible addition to the list of determinants of supply—the number of suppliers in the market.

Duration: 0 hrs 30 mins Scoring: 10 points

Practice: Investigate Shifts of Supply Curves

Investigate how to shift supply curves.

Duration: 0 hrs 30 mins Scoring: 20 points

Practice: Apply Concepts of Supply and Shifts of Supply Curves

Answer questions on supply and the determinants of supply.

Duration: 1 hr Scoring: 60 points

Quiz: Wrap-Up

Answer questions to assess your understanding of the content.

Duration: 0 hrs 45 mins Scoring: 10 points

LESSON 3: MARKET EQUILIBRIUM AND PRICE DETERMINATION**Study: Market Equilibrium**

Look at supply and demand curves together, and explore the concept of market equilibrium.

Duration: 1 hr 15 mins

Practice: Investigate Market Equilibrium

Practice finding and indicating market equilibrium.

Duration: 0 hrs 30 mins Scoring: 20 points

Study: Changes in Equilibrium

See how changes in supply and demand affect market equilibrium, and investigate price floors and price ceilings.

Duration: 1 hr 30 mins

Practice: Investigate Changes in Equilibrium

Practice shifting supply and demand curves, and notice how the shifts affect market equilibrium.

Duration: 0 hrs 30 mins Scoring: 20 points

Practice: Apply Concepts of Market Equilibrium

Answer questions about market equilibrium, focusing on issues of price floors and ceilings and the adjustment to equilibrium.

Duration: 1 hr Scoring: 60 points

Quiz: Wrap-Up

Answer questions to assess your understanding of the content.

Duration: 0 hrs 45 mins Scoring: 10 points

LESSON 4: ELASTICITY AND CONSUMER CHOICE**Study: Price Elasticity of Demand**

See how to measure consumer sensitivity to price changes.

Duration: 1 hr 30 mins

Practice: Investigate Elasticity of Demand

Practice shifting supply and demand curves, and notice how the shifts affect market equilibrium.

Duration: 0 hrs 30 mins Scoring: 20 points

Study: Price Elasticity of Supply and Other Elasticities

Examine producer sensitivity to price changes, and consumer sensitivity to income and the prices of related goods.

Duration: 1 hr 15 mins

Practice: Investigate Elasticity of Supply and Other Elasticities

Practice calculating price elasticity of supply, and examine income and cross-price elasticity.

Duration: 0 hrs 30 mins Scoring: 20 points

Practice: Apply Concepts of All Elasticities

Answer questions about price elasticity of supply and demand, income elasticity of demand, and cross-price elasticity of demand.

Duration: 1 hr Scoring: 60 points

Study: Utility

Examine the concepts behind the economic definition of consumer satisfaction.

Duration: 1 hr 30 mins

Practice: Investigate Utility and Consumer Surplus

Practice using the ideas of utility, and explore consumer surplus on a graph.

Duration: 0 hrs 30 mins Scoring: 20 points

Quiz: Wrap-Up

Answer questions to assess your understanding of the content.

Duration: 0 hrs 45 mins Scoring: 10 points

LESSON 5: WRAP-UP**Review: Demand, Supply, Elasticity, and Consumer Choice**

Review your studies of demand, supply, elasticity, and consumer choice.

Duration: 2 hrs

Practice: Demand, Supply, Elasticity, and Consumer Choice

Using common terms (referring to demand, supply, elasticity, and consumer choice) complete a crossword puzzle.

Duration: 0 hrs 30 mins

Discuss: Cram Session

Discuss demand, supply, elasticity, and consumer choice and any areas about which you are unclear.

Duration: 0 hrs 30 mins Scoring: 10 points

Test (CS): Demand, Supply, Elasticity, and Consumer Choice

Duration: 0 hrs 40 mins Scoring: 90 points

Test (TS): Demand, Supply, Elasticity, and Consumer Choice

Duration: 0 hrs 20 mins Scoring: 45 points

UNIT 4: FIRM PRODUCTION, COSTS, AND REVENUE

LESSON 1: FIRM PRODUCTION

Study: Business Organization

Examine the main types of business organizations.

Duration: 1 hr 15 mins

Study: Costs and Profits

Examine the concepts behind the economic definition of costs and profits.

Duration: 1 hr 15 mins

Discuss: Costs and Profits of Your Own Business

Choose a type of organization for your own business and discuss issues of cost and profit.

Duration: 0 hrs 30 mins Scoring: 10 points

Study: Production in the Short Run

See graphs of the production of a firm when one or more inputs are fixed in size.

Duration: 1 hr 30 mins

Practice: Investigate Production in the Short Run

Practice creating marginal product curves, and answer questions about the production of a firm in the short run.

Duration: 0 hrs 30 mins Scoring: 20 points

Quiz: Wrap-Up

Answer questions to assess your understanding of the content.

Duration: 0 hrs 45 mins Scoring: 10 points

LESSON 2: COSTS IN THE SHORT RUN AND LONG RUN

Study: Costs in the Short Run

See graphs of the cost curves of a firm when one or more inputs are fixed in size.

Duration: 1 hr 30 mins

Practice: Investigate Costs in the Short Run

Practice using tables and graphs with the different short-run cost information for a firm.

Duration: 0 hrs 30 mins Scoring: 20 points

Study: Costs in the Long Run

Watch the short-run cost curves be enveloped by the long-run cost curve.

Duration: 1 hr 30 mins

Practice: Investigate Costs in the Long Run

Practice identifying economies of scale, and use short-run cost curves to create a long-run cost curve.

Duration: 0 hrs 30 mins Scoring: 20 points

Practice: Apply Concepts of Short-Run Costs, Long-Run Costs, and Profit

Answer questions about the production and costs faced by a firm in the long and short run.

Duration: 1 hr Scoring: 60 points

Quiz: Wrap-Up

Answer questions to assess your understanding of the content.

Duration: 0 hrs 45 mins Scoring: 10 points

LESSON 3: WRAP-UP

Review: Firm Production, Costs, and Revenue

Review your studies of production and costs.

Duration: 2 hrs

Practice: Firm Production, Costs, and Revenue

Using common terms (referring to production and costs) complete a crossword puzzle.

Duration: 0 hrs 30 mins

Discuss: Cram Session

Discuss production and costs and any areas about which you are unclear.

Duration: 0 hrs 30 mins Scoring: 10 points

Test (CS): Firm Production, Costs, and Revenue

Duration: 0 hrs 40 mins Scoring: 90 points

Test (TS): Firm Production, Costs, and Revenue

Duration: 0 hrs 20 mins Scoring: 45 points

UNIT 5: MARKET STRUCTURE**LESSON 1: PERFECT COMPETITION****Study: Perfect Competition, Part 1**

Explore the characteristics of perfectly competitive markets.

Duration: 1 hr 45 mins

Practice: Investigate Perfect Competition, Part 1

Investigate the characteristics of the perfect competition market structure, and practice calculating profit maximization.

Duration: 0 hrs 30 mins Scoring: 20 points

Study: Perfect Competition, Part 2

Building on your knowledge of the basics, learn more about perfectly competitive markets, including the question of efficiency.

Duration: 1 hr 45 mins

Practice: Investigate Perfect Competition, Part 2

Practice working with the perfect competition graphs, including the long-run situation and the issue of efficiency.

Duration: 0 hrs 30 mins Scoring: 20 points

Practice: Apply Concepts of Perfect Competition

Answer questions about perfect competition.

Duration: 1 hr Scoring: 60 points

Quiz: Wrap-Up

Answer questions to assess your understanding of the content.

Duration: 0 hrs 45 mins Scoring: 10 points

LESSON 2: MONOPOLY AND MONOPOLISTIC COMPETITION**Study: Monopoly**

See how to determine the profit-maximizing level of output and price the monopolist will choose, and find out about efficiency in a monopoly market.

Duration: 1 hr 45 mins

Practice: Investigate Monopoly

Practice drawing marginal-revenue curves, and find the profit-maximizing level of output for a monopolist.

Duration: 0 hrs 30 mins Scoring: 20 points

Study: Monopolies: Special Cases

Examine the basics of price discrimination, and see which firms are natural monopolies.

Duration: 1 hr 45 mins

Practice: Investigate Natural and Price-Discriminating Monopolies

Investigate the cost curves of a natural monopoly, and work on profit maximization when the monopolist can price discriminate.

Duration: 0 hrs 30 mins Scoring: 20 points

Practice: Apply Concepts of Monopolies

Answer questions about monopolies.

Duration: 1 hr Scoring: 60 points

Study: Monopolistic Competition

Examine the monopolistic competition market, and find out about product differentiation.

Duration: 1 hr 45 mins

Practice: Investigate Monopolistic Competition

Practice finding the profit-maximizing level of output for a monopolistic competitor, and answer questions about that market structure.

Duration: 0 hrs 30 mins Scoring: 20 points

Quiz: Wrap-Up

Answer questions to assess your understanding of the content.

Duration: 0 hrs 45 mins Scoring: 10 points

LESSON 3: OLIGOPOLY**Study: Oligopoly**

See the main characteristics of an oligopoly market, and find out about profit maximization in an oligopoly.

Duration: 1 hr 15 mins

Practice: Investigate Oligopoly

Answer questions about oligopolies.

Duration: 0 hrs 30 mins Scoring: 20 points

Study: Oligopoly Models

Examine how to categorize the main types of oligopoly interaction.

Duration: 1 hr 45 mins

Practice: Investigate Oligopoly Models

While examining the different oligopoly models, practice working with graphs and tables.

Duration: 0 hrs 30 mins Scoring: 20 points

Practice: Apply Concepts of Oligopoly and Oligopoly Models

Answer questions about the oligopoly market structure.

Duration: 1 hr Scoring: 60 points

Quiz: Wrap-Up

Answer questions to assess your understanding of the content.

Duration: 0 hrs 45 mins Scoring: 10 points

LESSON 4: COMPARING MARKETS AND IMPERFECT COMPETITION**Study: Market Structures and Mergers**

See the main types of market structures, and explore the role of mergers in market structures.

Duration: 1 hr 15 mins

Practice: Investigate the Different Market Structures

Work with graphs showing all the market structures and investigate their similarities and differences.

Duration: 0 hrs 30 mins Scoring: 20 points

Study: Government and Imperfect Competition

See what actions the government takes to limit anti-competitive practices in the market.

Duration: 2 hrs

Discuss: Market Structures

Discuss issues related to the main types of market structures.

Duration: 0 hrs 30 mins Scoring: 10 points

Quiz: Wrap-Up

Answer questions to assess your understanding of the content.

Duration: 0 hrs 45 mins Scoring: 10 points

LESSON 5: WRAP-UP

Review: Market Structure

Review your studies of perfect competition, monopoly, and oligopoly.

Duration: 3 hrs

Practice: Market Structure

Using common terms (referring to market structure) complete a crossword puzzle.

Duration: 0 hrs 30 mins

Discuss: Cram Session

Discuss market structure and any areas about which you are unclear.

Duration: 0 hrs 30 mins Scoring: 10 points

Discuss: You Be the Teacher!

Make suggestions for completing a correctly answered but incomplete AP-style question about a perfectly competitive market.

Duration: 0 hrs 30 mins Scoring: 10 points

Test (CS): Market Structure

Duration: 0 hrs 40 mins Scoring: 90 points

Test (TS): Market Structure

Duration: 0 hrs 20 mins Scoring: 45 points

UNIT 6: FACTOR MARKETS

LESSON 1: DERIVED FACTOR DEMAND

Study: Factor Demand, Part 1

Examine the derived factor demand curve.

Duration: 1 hr 15 mins

Practice: Investigate Factor Demand

Practice deriving a factor demand curve.

Duration: 0 hrs 30 mins Scoring: 20 points

Study: Factor Demand, Part 2

Explore the determinants of factor demand and the determinants of the elasticity of factor demand.

Duration: 1 hr 15 mins

Practice: Investigate Shifts in Factor-Demand Curves

Draw shifts in the factor demand curve, and calculate elasticity of factor demand.

Duration: 0 hrs 30 mins Scoring: 20 points

Practice: Apply Concepts of Factor Demand

Answer questions on derived factor demand.

Duration: 1 hr Scoring: 60 points

Quiz: Wrap-Up

Answer questions to assess your understanding of the content.

Duration: 0 hrs 45 mins Scoring: 10 points

LESSON 2: SPECIAL TOPICS IN FACTOR DEMAND

Study: Labor

See the main issues regarding the demand for labor, including labor unions and monopsonistic labor markets.

Duration: 1 hr 45 mins

Practice: Investigate Labor Markets

Compare the outcomes of a regular labor market with a monopsonistic labor market, and answer questions about labor unions.

Duration: 0 hrs 30 mins Scoring: 20 points

Study: Rent, Interest, and Profit

See the main issues regarding the non-labor factors of production in the factor market.

Duration: 1 hr 15 mins

Practice: Apply Concepts of Factor Demand

Answer questions about the demand for the factors of production.

Duration: 1 hr Scoring: 60 points

Quiz: Wrap-Up

Answer questions to assess your understanding of the content.

Duration: 0 hrs 45 mins Scoring: 10 points

LESSON 3: WRAP-UP**Review: Factor Markets**

Review your studies of factor demand.

Duration: 2 hrs

Practice: Factor Markets

Using common terms (referring to factor markets) complete a crossword puzzle.

Duration: 0 hrs 30 mins

Discuss: Cram Session

Discuss factor markets and any areas about which you are unclear.

Duration: 0 hrs 30 mins Scoring: 10 points

Discuss: You Be the Teacher!

Make suggestions for completing a correctly answered but incomplete AP-style question about the labor market.

Duration: 0 hrs 30 mins Scoring: 10 points

Test (CS): Factor Markets

Duration: 0 hrs 40 mins Scoring: 90 points

Test (TS): Factor Markets

Duration: 0 hrs 20 mins Scoring: 45 points

UNIT 7: EFFICIENCY, EQUITY, AND THE GOVERNMENT**LESSON 1: MARKET FAILURES****Study: Externalities and Public Goods**

Examine externalities, such as pollution, and public goods, such as national defense.

Duration: 2 hrs

Practice: Investigate Externalities and Public Goods

Investigate and answer questions about the role and definition of externalities and public goods.

Duration: 0 hrs 30 mins Scoring: 20 points

Practice: Bring Together Externalities and Public Goods

Answer in-depth questions on externalities and the role of government in providing public goods.

Duration: 1 hr Scoring: 60 points

Quiz: Wrap-Up

Answer questions to assess your understanding of the content.

Duration: 0 hrs 45 mins Scoring: 10 points

LESSON 2: DISTRIBUTION OF INCOME

Study: Income Distribution and Taxes

See how income is spread through the U.S. economy, and find out about the different types of taxation.

Duration: 2 hrs

Practice: Investigate Taxes and Income Distribution

Practice working on a graph of the Lorenz curve, answer questions about the different types of taxes, and consider issues of redistribution and equity.

Duration: 0 hrs 30 mins Scoring: 20 points

Practice: Apply Concepts of Taxes and Income Distribution

Answer questions on taxes and income distribution.

Duration: 1 hr Scoring: 60 points

Discuss: Your Opinion Counts: The Government and the Economy

Defend your opinions about the role of government in the economy or about the distribution of income.

Duration: 0 hrs 30 mins Scoring: 10 points

Quiz: Wrap-Up

Answer questions to assess your understanding of the content.

Duration: 0 hrs 45 mins Scoring: 10 points

LESSON 3: WRAP-UP**Review: Efficiency, Equity, and the Government**

Review your studies of efficiency, equity, and the government.

Duration: 2 hrs

Practice: Efficiency, Equity, and the Government

Using common terms (referring to efficiency, equity, and the government) complete a crossword puzzle.

Duration: 0 hrs 30 mins

Discuss: Cram Session

Discuss efficiency, equity, the role of government, and any areas about which you are unclear.

Duration: 0 hrs 30 mins Scoring: 10 points

Discuss: You Be the Teacher!

Make suggestions for completing a correctly answered but incomplete AP-style question about the labor market.

Duration: 0 hrs 30 mins Scoring: 10 points

Test (CS): Efficiency, Equity, and the Government

Duration: 0 hrs 40 mins Scoring: 90 points

Test (TS): Efficiency, Equity, and the Government

Duration: 0 hrs 20 mins Scoring: 45 points

UNIT 8: PREPARING FOR THE AP EXAM**LESSON 1: REVIEW AND AP EXAM PRACTICE****Study: AP Exam Preparation**

Discover some tips and hints for preparing for the AP Exam.

Duration: 1 hr

Review: Microeconomics

Review your studies of microeconomics in preparation for the AP Exam.

Duration: 7 hrs

Quiz: Practice Multiple-Choice Questions

Answer multiple-choice questions covering material about microeconomics.

Duration: 1 hr Scoring: 20 points

Practice: AP Microeconomics: Simulated AP Exam (Multiple Choice)

Duration: 1 hr 10 mins Scoring: 0 points

Practice: AP Microeconomics: Simulated AP Exam (Free Response)

Duration: 1 hr Scoring: 0 points

Discuss: Any Questions?

Is there something you don't understand from this course? Raise any questions you have before taking the Final Exam.

Duration: 0 hrs 30 mins Scoring: 10 points

Exam: Microeconomics

Duration: 1 hr 10 mins Scoring: 200 points

Final Exam: Microeconomics

Duration: 1 hr Scoring: 100 points