

AP Microeconomics Summer Reading Assignment

Friedman, David D. *Hidden Order: the Economics of Everyday Life*.
Harper Business, 2006.

Friedman's book really connects to what we will be studying in AP this year. He takes the most important concepts we study and connects them to the decisions people make every day. Our decisions shape the economy, and Friedman will explain the reader how this is done. Our class really focuses on individual decision making and the personal/ mutual benefits associated with those decisions. *Hidden Order* is an in-depth study of some of the most complicated concepts we will study, but Friedman does an amazing job of simplifying them for the reader. After reading this book, our students will be better prepared of AP Micro.

Reading Assignment

Answer the following questions in complete sentences and short essay form. (7-10 Sentences)

1. What does Friedman's grocery line example show about individuals? What are the individual's goals and what are the long-run conclusions?
2. What does Friedman say about international trade? When should countries trade? Also do some outside research and explain the difference between absolute advantage and comparative advantage.
3. While reading the book, come up with your own definition of value. How does that definition compare to Friedman's definition of economic value? Is economic value different from person to person or should the standard definition pertain to everyone? Explain your choice.
4. Define consumer and producer surplus. According to Friedman, how should consumer surplus affect our buying habits? How will it affect the sellers' decisions?
5. What is the most interesting concept from the book that you were not asked about? Fully explain that concept using specific examples from the book and your everyday life.

