

## AP MACROECONOMICS SUMMER ASSIGNMENT

For most of you taking the course, this will most likely be your first introduction into the world of economics. What is economics? What do economists study? In order to begin to get acquainted with this course, we need to start to look at the current economic news happening in the world we live in. This is the basis for your summer assignment in AP Macroeconomics.

### **THE ASSIGNMENT:**

- a. Locate and read **SIX CURRENT ECONOMIC ARTICLES.** Articles can be from the Internet, newspapers, magazines, etc.
  
- b. You must find *THREE current articles from the month of JULY* and *THREE current articles from the month of AUGUST (DO NOT WAIT TILL THE END as some news sites have restrictions on how many articles you can read for free)*

### **For each of the six articles you must complete the following:**

- a. TITLE, DATE, AUTHOR, and LINK to the article
- b. Each article should include a summary. ***The summary should be typed, 12 font and ½ page in length.***
- c. Each article should include your opinion on either a short-run or long-run consequence of this article's information on our economy. ***Your opinion portion should be typed, 12 font and ¼ page length.***
- d. Each article should be tied to one of the "Ten Principles of Economics" included on page 4. YOU CANNOT REPEAT A PRINCIPLE!! ***The summary of the tie to an economic principle portion should be typed, 12 font, and ¼ page in length.***

**Here is how each of the SIX Article Pages should look:**

ARTICLE HEADING:

ARTICLE SUMMARY: ½ PAGE

ARTICLE OPINION: ¼ PAGE

ARTICLE TIE IN TO 1 OF THE 10 PRINCIPLES: ¼ PAGE

**Grading: Counts as first 100 pt quiz grade and is based on criteria below**

- A. Article heading has a title, date, author, and link worth 2 points..(2x6=12 pts)
- B. Article summary is worth 8 points each (8x6=48 pts)
- C. Article opinion/consequence is worth 3 points each (3x6=18 pts)
- D. Article connection to an economic principle is worth 3 points each. *A repeated principle is a 3pt reduction.* (3x6=18 pts)
- E. All completed work is *due on the second day of class (4 pts total given for being on time).*

**F. Five-point deduction for every class-day late**

**Grading Rubric per each Article page**

**A. Article Heading (2pts)**- mentions title, date, author, & link

**B. Article Summary (8pts)**

**7-8pts**-The summary is the correct length and clearly outlines the main research question, methods, & results in the student's own words.

**5, 6pts**-The summary is the correct length and most of the article is summarized, but the student may not clearly cover all aspects (i.e., the main research question, methods, & results).

**0-4pts**-The summary is not the correct length or the student does not clearly summarize the main points of the article and/or includes inaccurate information

**C. Article consequence (3pts)**

**3pts**-The summary is the correct length and clearly outlines the implications/consequences in the student's own words.

**2pts**-The consequence is the correct length and/or the article's implications/consequences is mostly summarized but is slightly unclear.

**0-1pts**-The consequence is not the correct length and/or the student does not clearly summarize the implications/consequences and/or includes inaccurate information

**D. Article tie to a principle (3pts)**

**3pts**-The summary correctly ties the article's main points to the correct principle with reasons.

**2pts**-The summary correctly ties the article's main points to the correct principle but lacks reasons.

**1pt**- The summary does not correctly tie the article's main points to the correct principle but attempts to.

**0pt**-The summary does not correctly tie the article's main points to the correct principle

## **The 10 Principles of Economics by N.Gregory Mankiw**

**1. People face tradeoffs.** To get one thing, you have to give up something else. Making decisions requires trading off one goal against another. Because items are scarce we cannot have all of everything we want, so we must make choices.

**2. The cost of something is what you give up to get it- called opportunity cost.** Decision-makers have to consider both the obvious and implicit costs of their actions.

**3. Rational people think at the margin.** A rational decision-maker takes action if and only if the marginal benefit of the action exceeds the marginal cost.

**4. People respond to incentives.** Behavior changes when costs or benefits change.

**5. Voluntary trade can make everyone better off.** Trade allows each person to specialize in the activities he or she does best. By trading with others, people can buy a greater variety of goods or services.

**6. Markets are usually a good way to organize economic activity.** Households and firms that interact in market economies act as if they are guided by an "invisible hand" that leads the market to allocate resources more efficiently. The opposite of this is economic activity that is organized by a central planner within the government.

**7. Governments can sometimes improve market outcomes.** When a market fails to allocate resources efficiently, the government can change the outcome through public policy. Examples are regulations against monopolies and pollution. But it can also harm market outcomes with price controls that can result in shortages and surpluses.

**8. A country's standard of living depends on its ability to produce goods and services.** Countries whose workers produce a large quantity of goods and services enjoy a high standard of living. As a nation's productivity grows, so does its average income.

**9. Prices rise when the government prints too much money.** When a government creates large quantities of the nation's money, the value of the money falls. As a result, prices increase (inflation), requiring more of the same money to buy goods and services.

**10. Society faces a short-run tradeoff between inflation and unemployment.** Reducing inflation often causes a temporary rise in unemployment. This tradeoff is crucial for understanding the short-run effects of changes in taxes, government spending and monetary policy.

Have a great summer and I will see you in September!

I can be reached during the summer by this email if you have any questions:

[apaduano@mtplcsd.org](mailto:apaduano@mtplcsd.org)