

WGSD Curriculum  
Business Department

**Course: AP Macroeconomics**

**Grade Level: 11-12**

**LG 1 Basic Concepts**

<b>High Priority Standards</b>	
<p><b>NBEA Standards</b> Economics <b>II. Economic Systems</b> <b>Achievement Standard:</b> Explain why societies develop economic systems, identify the basic features of different economic systems, and analyze the major features of the U.S. economic system.</p>	
<b>Learning Goal</b>	<b>Proficiency Scale</b>
<p>Students will understand fundamental economic concepts.</p>	<p>Level 4: Student demonstrates an in-depth inference or advanced application or innovates with the learning goal.</p> <p>Level 3: Student demonstrates mastery with the learning goal as evidenced by:</p> <ul style="list-style-type: none"> <li>• Explaining the distinction between absolute and comparative costs, and absolute and comparative advantage.</li> <li>• Applying the principle of comparative advantage to determine the basis on which mutually advantageous trade can take place between individuals and/or countries.</li> <li>• Explaining the conflict between limited resources and unlimited wants.</li> <li>• Interpreting the business cycle by explaining the dynamics of unemployment, inflation, and economic growth.</li> </ul> <p>Level 2: Student demonstrates he/she is nearing proficiency by:</p> <ul style="list-style-type: none"> <li>• Recognizing and recalling specific vocabulary, such as: efficiency, equality, opportunity cost, rational consumers, marginal changes, incentives, inflation, unemployment, economic models, circular-flow, production possibilities,</li> </ul>

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	<p>microeconomics, macroeconomics, positive and normative statements, labor specialization, absolute and comparative advantage, imports and exports.</p> <ul style="list-style-type: none"><li>• Performing processes such as:<ul style="list-style-type: none"><li>○ Identifying how different types of economies determine which goods and services to produce, how to produce them, and to whom to distribute them.</li><li>○ Identifying comparative advantage from differences in opportunity cost.</li><li>○ Identifying the principles of supply and demand.</li></ul></li></ul> <p>Level 1: Student demonstrates a limited understanding or skill with the learning goal.</p>
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**Learning Targets**

**Students know how to:**

- Write a positive and normative economic statement.
- Calculate absolute and comparative advantages.
- Describe how consumers, businesses, and government decision-makers face scarcity of resources and must make trade-offs and incur opportunity costs.
- Illustrate the concepts of opportunity costs and trade-offs using an analytical example, such as a production possibilities curve.
- Compare and making correlations between the 10 principles of economics.
- Draw conclusions between the concepts of scarcity and opportunity costs.
- Reflect on the uses and applications of the circular flow model of economics.
- Interpret the conclusions of the production possibilities frontier for an economy.
- Critique the relationship between slope and production possibilities.
- Compare and contrast the value of international trade with respect to production possibilities for an economy.
- Judge the value of labor specialization to economic production.
- Draw conclusions from calculations of absolute and comparative advantages.

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LG 2 Economic Performance

**High Priority Standards**

**NBEA Standards**

Economics

**IV. Markets and Prices**

**Achievement Standard:** Analyze the role of markets and prices in the U.S. economy.

**V. Market Structures**

**Achievement Standard:** Analyze the different types of market structures and the effect they have on the price and the quality of the goods and services produced.

<b>Learning Goal</b>	<b>Proficiency Scale</b>
Students will understand how the economy functions.	Level 4: Student demonstrates an in-depth inference or advanced application or innovates with the learning goal.  Level 3: Student demonstrates mastery with the learning goal as evidenced by: <ul style="list-style-type: none"><li>• Explaining aggregate supply and demand and how they determine the equilibrium of national output and general price levels.</li><li>• Explaining consumption, investment, government spending and net exports as components of aggregate demand.</li><li>• Determining aggregate supply by examining the shape of the supply curve both in the short and long run.</li><li>• Explaining the effects of public policy on the economy.</li></ul>

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Level 2: Student demonstrates he/she is nearing proficiency by:

- Recognizing and recalling specific vocabulary, such as: markets quantity demanded, law of demand, demand schedules, demand curve, quantity supplied, law of supply, supply schedules, supply curve, equilibrium, surplus, shortage, normal good, inferior good, substitute and complementary goods, market demand, elasticity, total revenue, income elasticity, cross-price elasticity, price ceilings, price floors.
- Performing processes such as:
  - Discussing the nature of aggregate demand and aggregate supply.
  - Identifying factors that affect supply and demand.

Level 1: Student demonstrates a limited understanding or skill with the learning goal.

**Learning Targets**

**Students know how to:**

- Generate examples that illustrate the law of demand and the law of supply.
- Interpret demand and supply schedules and their corresponding graphs.
- Differentiate between a change in quantity demanded/supplied and a shift in demand/supply
- Evaluate and create situations to determine the factors that shift a demand curve or a supply curve.
- Detect equilibrium price and quantity and making inferences from various market outcomes.
- Judge when surpluses and shortages occur and evaluating their implications.
- Diagnose products based upon their price elasticity of demand and supply measures.
- Interpret elasticity calculation results both in the long-run and the short-run.
- Connect the relationship between price elasticity and total revenue.
- Differentiate elasticity conclusions based upon slope and graphs.
- Reflect on the differences between income-elasticity and cross-price elasticity.
- Differentiate between price ceilings and price floors.
- Identify concerns with interventions in free markets.

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- Generate tax incidence graphically.
- Interpret the impact of a tax buyers, sellers, and the overall market.
- Diagnose the relationship between elasticity and tax incidence.
- Graph a demand and supply schedule.
- Explain calculations of surpluses and shortages.
- Depict equilibrium price and quantity.
- Explain calculations of price elasticity of demand and supply.
- Understand elasticity numerical results.
- Graph and label price floors and ceilings.
- Illustrate tax incidence on a graph
- Identify pre/post prices and quantities after a tax is imposed upon a given market.

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**Course: AP Macroeconomics**  
**Grade Level: 11-12**  
**LG 3 Monetary Supply**

**High Priority Standards**

**NBEA Standards**

Economics

**III. Economic Institutions and Incentives**

**Achievement Standard:** Analyze the role of core economic institutions and incentives in the U.S. economy.

**IV. Markets and Prices**

**Achievement Standard:** Analyze the role of markets and prices in the U.S. economy.

**V. Market Structures**

**Achievement Standard:** Analyze the different types of market structures and the effect they have on the price and the quality of the goods and services produced.

<b>Learning Goal</b>	<b>Proficiency Scale</b>
<p>Students will understand market interactions and monetary supply and demand.</p>	<p>Level 4: Student demonstrates an in-depth inference or advanced application or innovates with the learning goal.</p> <p>Level 3: Student demonstrates mastery with the learning goal as evidenced by:</p> <ul style="list-style-type: none"> <li>• Examining how public policy can affect the economy’s output, price level, and level of employment.</li> <li>• Explaining the impacts of fiscal policy and monetary policy on the economies output and price level.</li> <li>• Determining how respond to government deficits and the burden of national debt.</li> </ul> <p>Level 2: Student demonstrates he/she is nearing proficiency by:</p> <ul style="list-style-type: none"> <li>• Recognizing and recalling specific vocabulary, such as: welfare economics, willingness to pay, consumer surplus, producer surplus, efficiency, equality, deadweight loss, the Laffer curve, supply-side economics, tax revenue, world price, tariff, exports, imports, domestic price/quantity, comparative advantage.</li> </ul>

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- Performing processes such as:
  - Identifying the relationships between deficits, interest rates, and inflation.
  - Distinguishing between the short-run and long-run impacts of monetary and fiscal policies.

Level 1: Student demonstrates a limited understanding or skill with the learning goal.

**Learning Targets**

**Students know how to:**

- Critique how the allocation of resources affects economic well-being.
- Interpret calculations of producer and consumer surpluses.
- Draw conclusions from the increases and decreases in total surplus.
- Develop arguments for various economic policies based upon the concept of total surplus maximization.
- Detect the causes and implications of deadweight loss in taxation.
- Generate deadweight loss values and interpreting market implications.
- Relate deadweight loss size and incidence to concepts such as elasticity and tax revenue.
- Judge whether or not policies and taxation can be justified through an analysis of the laffer curve, tax revenue, and deadweight loss.
- Make inferences about supply-side economics as a policy to reduce deadweight loss.
- Generate arguments for restricting and allowing international trade in a variety of economic settings.
- Draw conclusions for when it is advisable to import or export based upon domestic welfare arguments.
- Diagram and calculate changes in producer, consumer, and total surplus.
- Produce a graph that illustrates deadweight loss and tax revenue.
- Explain when to trade and when to not open international borders.
- Summarize the purpose and effects of a tariff.
- Diagram and calculate deadweight loss and surplus loss of a tariff.

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LG 4 Data

**High Priority Standards**

**NBEA Standards**

Economics

**IX. Aggregate Supply and Aggregate Demand**

**Achievement Standard:** Analyze how the U.S. economy functions as a whole and describe selected macroeconomic measures of economic activity.

<b>Learning Goal</b>	<b>Proficiency Scale</b>
Students will understand the key measures of economic performance.	Level 4: Student demonstrates an in-depth inference or advanced application or innovates with the learning goal.  Level 3: Student demonstrates mastery with the learning goal as evidenced by: <ul style="list-style-type: none"><li>• Differentiating between nominal and real measures of GDP.</li><li>• Applying the GDP deflator and inflation calculations to make economic inferences.</li><li>• Explaining the relationship between GDP and inflation.</li><li>• Explaining the key measures of economic performance such as gross domestic product, unemployment, and inflation.</li></ul> Level 2: Student demonstrates he/she is nearing proficiency by: <ul style="list-style-type: none"><li>• Recognizing and recalling specific vocabulary, such as: microeconomics, macroeconomics, gross domestic product (GDP), final goods, intermediate goods, consumption, investment, government purchases, transfer payments, net exports, nominal vs. real GDP, GDP deflator, inflation, consumer price index (CPI).</li></ul>



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- Performing processes such as:
  - Defining the natural rate of unemployment and the factors that affect it.  
Describing inflation and how it is measured.
  - Identifying how price indices are constructed.

Level 1: Student demonstrates a limited understanding or skill with the learning goal.

**Learning Targets**

**Students know how to:**

- Detect changes and adjustments in GDP calculations and numerical values.
- Detect how policy changes will affect current GDP measures.
- Correlate GDP with various economic well-being factors in the short and long-run.
- Critique the value of GDP as an economic tool for data management.
- Investigate the various methods of determining CPI measures.
- Make correlations between CPI and economic utility.
- Judge the effectiveness of using CPI as an economic data tool.
- Describe the various components for measuring a nation's GDP.
- Understand the impact of GDP numbers/calculations.
- Show the differences between nominal and real GDP.
- Understand how to make calculations of CPI.
- Outline the benefits and limitations of CPI.

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**Course: AP Macroeconomics**  
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**LG 5 Successful Economies**

<b>High Priority Standards</b>	
<p><b>NBEA Standards</b> Economics</p> <p><b>VI. Productivity</b>  <b>Achievement Standard:</b> Explain the importance of productivity and analyze how specialization, division of labor, investment in physical and human capital, and technological change affect productivity and global trade.</p> <p><b>VIII. Global Economic Concepts</b>  <b>Achievement Standard:</b> Examine the role of trade, protectionism, and monetary markets in the global economy.</p> <p><b>IX. Aggregate Supply and Aggregate Demand</b>  <b>Achievement Standard:</b> Analyze how the U.S. economy functions as a whole and describe selected macroeconomic measures of economic activity.</p>	
<b>Learning Goal</b>	<b>Proficiency Scale</b>
<p>Students will understand how successful economies function in the long-run.</p>	<p>Level 4: Student demonstrates an in-depth inference or advanced application or innovates with the learning goal.</p> <p>Level 3: Student demonstrates mastery with the learning goal as evidenced by:</p> <ul style="list-style-type: none"> <li>• Explaining monetary policy with concepts such as the definition of money and the time value of money, measures of the money supply, fractional reserve banking and the Federal Reserve System.</li> <li>• Explaining how equilibrium in the money market determines the equilibrium nominal interest rate.</li> <li>• Establishing a link between changes in the real interest rate and changes in</li> </ul>

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	<p>aggregate demand.</p> <ul style="list-style-type: none"> <li>• Explaining how changes in aggregate demand affect real output and price level.</li> </ul> <p>Level 2: Student demonstrates he/she is nearing proficiency by:</p> <ul style="list-style-type: none"> <li>• Recognizing and recalling specific vocabulary, such as: productivity, physical capital per worker (K/L), human capital per worker (H/L), natural resources per worker (N/L), technological knowledge (TK), saving, investment, diminishing returns, catch-up effect, property rights, free trade, capital stock, outward/inward-oriented trade policies, financial markets, bonds, stocks, financial intermediaries, mutual funds, national saving, private saving, public saving, budget surplus/deficit, market for loanable funds, saving incentive, investment incentive, labor force, unemployment rate, labor-force participation rate, natural rate of employment, cyclical unemployment, discouraged workers, frictional vs. structural unemployment, unions, efficiency wages, liquidity, commodity money, fiat money, demand deposits, reserves, Federal Reserve, fractional-reserve banking, reserve ratio, money multiplier, open-market operations, reserve requirements</li> <li>• Performing processes such as:             <ul style="list-style-type: none"> <li>○ Identifying the role of the Federal Reserve in the United States monetary system.</li> <li>○ Describing the effects of trade restrictions.</li> <li>○ Identify the basic determinants of productivity.</li> </ul> </li> </ul> <p>Level 1: Student demonstrates a limited understanding or skill with the learning goal.</p>
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**Learning Targets**

**Students know how to:**

- Generalize an economic outlook for a less developed country based upon determinants of productivity.
- Hypothesize methods for improving aspects of economic performance to enhance productivity for a nation.
- Judge the effectiveness of trade policies.

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- Critique the vicious cycle of poverty in the global scene.
- Diagnose benefits and limitations to the financial intermediaries and systems at play in the current economy.
- Interpret the results of national savings calculations and making inferences about economic status.
- Compare and contrast the supply and demand for the market for loanable funds.
- Develop arguments justifying an economic need for saving incentives, investment incentives, or budget surplus/deficit management policies.
- Judge the effectiveness of current United States loanable funds management.
- Connect current United States unemployment statistics with implications of unemployment data limitations.
- Justify policies that affect unemployment rates to varying degrees.
- Critique the concept of unions and the theory of introducing efficiency wages into an economy.
- Apply concepts learned into an unemployment plan for a nation, while demonstrating an understanding of the tradeoff between inflation and unemployment.
- Differentiate between Federal Reserve policies for money manipulation.
- Identify problems with the money multiplier effect and judging the effectiveness of fractional-reserve banking, especially in light of current events.
- Make a case for a specific monetary policy that the Federal Reserve could/should employ.
- Critique United States' policies for managing the money stock (M1 and M2).
- Paraphrase the 4 basic determinants of productivity.
- Understand the impact of the catch-up effect on less developed countries.
- Describe the 9 long-run determinants of productivity for an economy.
- Outline the various financial intermediaries and systems at play.
- Understand the national savings equation and manipulating the variables within it.
- Explain the differences between a budget surplus and deficit.
- Summarize the mechanics of supply and demand for loanable funds
- Diagram the differences between saving or investment incentive fiscal policies.
- Measure the labor force, the labor-force participation rate, and the unemployment rate.
- Outline the differences between frictional and structural unemployment.
- Describe the impact that unions and policy laws (such as minimum wage) affect the unemployment scenario in an economy.
- Describe the limitations of using unemployment to measure economic well-being.
- Explain the various functions and definitions of money.

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- Clarify the concepts of demand deposits and t-charts.
- Exhibit knowledge of how fractional-reserve banking contrasts with 100% reserve banking.
- Explain how to calculate reserve ratios and the money multiplier.