2026 AP Microeconomics Summer Reading and Assignment

Overview: This assignment focuses on the "Micro" level of the economy, the study of individual decision-making, firm behavior, and specific market interactions. You will begin to understand how incentives and information shape the world around you.

Learning Outcomes:

- Identify and define microeconomic concepts and terms.
- Begin to explore the Big Ideas we will study in this course:
    - Scarcity and Markets
    - Costs, Benefits, and Marginal Analysis
    - Production Choices and Behavior
    - Market Inefficiency and Public Policy

Microeconomics Concepts and Terms Bank (Look for these!):

Antitrust Law	Bargaining Power	Cartels
Central Planning	Collective Bargaining	Comparative Advantage
Diminishing Returns	Efficiency	Externalities
Free Rider Problem	Game Theory	Incentives
Information Asymmetry	Invisible Hand	Leisure
Marekts	Market Design	Market Economy
Market Failure	Market Structures	Opportunity Cost
Price Signals	Price Controls	Profits
Public Goods	Resource Allocation	Subsidies
Supply and Demand	Tarrifs	Taxes

The Assignment (READ CAREFULLY):

1. **Purchase the book**, Mayyasi, Alex, and the Hosts of NPR's Planet Money. Planet Money: A Guide to the Economic Forces That Shape Your Life. W. W. Norton & Company, 2026. ISBN-13: 978-1324078777
2. There are five parts to the book. **You must read and annotate Part One**: Meet the Economy (Chapters 1-5).
3. **Select one additional Part (Two, Three, Four, or Five) to read and annotate**.

4. **Expectations when you annotate:**
    a. In your book, clearly identify the concepts and terms from the bank above. Take notes in the margin connecting the economic story that is being told with the concept/term you identified.
    b. Use symbols and/or words to show your thinking process while you actively read. Some suggestions include:
        i. Reaction Words like "Confusing," "Important," "Interesting," "Surprising".
        ii. Analytical Terms like "Evidence," "Example," "Definition," "Contrast," "Cause/Effect".
        iii. Connection Labels like "Same as...", "Reminds me of...", "Real-world example".
        iv. Summary like a 3-5 word summary of an important paragraph.
5. **Assignment deliverables:**
    a. You will receive a grade for your book annotations. I will only accept annotations in a physical copy of the book. I will not accept notes in any document, handwritten or digital.
    b. You will be assessed either on the first or second day of class. You will be permitted to use your book and the annotations you recorded. Your annotations will be important for this assessment, so make sure you do them well, and you review them leading up to the first day of classes.