

Unit 6: Market Factors and the Role of the Government

AP Microeconomics

5 Class Meetings

AP Review: 8 class meetings

Rev. June 2019

Essential Questions

- How does the government most effectively intervene in economic problems?

Enduring Understanding with Unit Goals

EU 1: Externalities can lead to inefficient or under productivity.

- Explain and give examples of how negative externalities can lead to inefficient or efficient production.
- Explain and give examples of how positive externalities can lead to inefficient or efficient production.
- Show the impact of externalities on production graphically.

EU 2: Tragedy of the commons refers to the collective self-interested actions of individuals which ultimately lead to the depletion of a resource.

- Differentiate between private goods, public goods, and common resources.
- Discuss solutions to the tragedy of the commons.

EU 3: The United States has a high level of income inequality.

- Compare income and poverty levels of the United States to other countries.
- Describe the methods and effectiveness of government intervention on income inequality.

Standards

College Career and Civic Life - C3 Framework for Social Studies State Standards

- **D2.Eco.1.9-12.** Analyze how incentives influence choices that may result in policies with a range of costs and benefits for different groups.
- **D2.Eco.2.9-12.** Use marginal benefits and marginal costs to construct an argument for or against an approach or solution to an economic issue.

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- **D3.4.9-12.** Refine claims and counterclaims attending to precision, significance, and knowledge conveyed through the claim while pointing out the strengths and limitations of both.
- **D4.2.9-12.** Construct explanations using sound reasoning, correct sequence (linear or non-linear), examples, and details with significant and pertinent information and data, while acknowledging the strengths and weaknesses of the explanation given its purpose (e.g., cause and effect, chronological, procedural, technical)
- **D4.6.9-12.** Use disciplinary and interdisciplinary lenses to understand the characteristics and causes of local, regional, and global problems; instances of such problems in multiple contexts; and challenges and opportunities faced by those trying to address these problems over time and place.

Common Core State Standards

- **CCSS.ELA-LITERACY.RH.11-12.2** Determine the central ideas or information of a primary or secondary source; provide an accurate summary that makes clear the relationships among the key details and ideas.
- **CCSS.ELA-LITERACY.RH.11-12.7** Integrate and evaluate multiple sources of information presented in diverse formats and media (e.g., visually, quantitatively, as well as in words) in order to address a question or solve a problem.
- **CCSS.ELA-LITERACY.WHST.11-12.1.A** Introduce precise, knowledgeable claim(s), establish the significance of the claim(s), distinguish the claim(s) from alternate or opposing claims, and create an organization that logically sequences the claim(s), counterclaims, reasons, and evidence..
- **CCSS.ELA-LITERACY.WHST.11-12.1.D** Establish and maintain a formal style and objective tone while attending to the norms and conventions of the discipline in which they are writing.
- **CCSS.ELA-LITERACY.WHST.11-12.1.E** Provide a concluding statement or section that follows from or supports the argument presented.
- **CCSS.ELA-LITERACY.WHST.11-12.2.B** Develop the topic thoroughly by selecting the most significant and relevant facts, extended definitions, concrete details, quotations, or other information and examples appropriate to the audience's knowledge of the topic.
- **CCSS.ELA-LITERACY.WHST.11-12.4** Produce clear and coherent writing in which the development, organization, and style are appropriate to task, purpose, and audience.
- **CCSS.ELA-LITERACY.WHST.11-12.9** Draw evidence from informational texts to support analysis, reflection, and research.
- **CCSS.ELA-LITERACY.WHST.11-12.10** Write routinely over extended time frames (time for reflection and revision) and shorter time frames (a single sitting or a day or two) for a range of discipline-specific tasks, purposes, and audiences.

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MSMHS 21st Century Learning Expectations

Competency 1. Read and write effectively for a variety of purposes

Competency 2. Speak effectively with a variety of audiences in an accountable manner

Competency 5. Contribute to a positive learning environment with respect and responsibility

Unit Content Overview

- Externality
- Production externalities
- Consumption externalities
- Marginal Private Cost (MPC)
- Marginal external cost (MEC)
- Marginal Social Cost (MSC)
- Property rights
- Abatement technology
- Command- and- control regulation
- Private benefits
- Social Benefits
- Marginal private benefit (MPB)
- Marginal external benefit (MEB)
- Marginal social benefit (MSB)
- Public Provision
- Excludable resources/goods
- Rival resources/goods
- Private goods
- Public goods
- Common resources
- Free rider
- Benefit- cost analysis
- Tragedy of the commons
- Antitrust law
- Predatory pricing
- Tying arrangement
- Natural monopoly

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- Regulation/ deregulation
- Social interest theory
- Capture theory
- Average cost pricing rule
- Price cap regulation

Interdisciplinary Connections

- Marine Studies I & II- government intervention in industry
- Marine Science- government intervention in industry
- Aquaculture and Resource Management- factoring in any subsidies or taxes on the industry.
- Environmental Science/ AP environmental science- Government interventions/ regulations
- Algebra I- Solving equations and graphing
- Algebra II- Interpreting data, solving equations
- Topics in Mathematics: Business and Personal Finance- applying economic models to real life situations

Learning Objectives

Students will be able to...

- Explain and display graphically how externalities can lead to inefficient or efficient production.
 - *Practice AP multiple choice to review Unit 1-2. Explain using content vocabulary why you selected the answers you did.*
- Distinguish among private goods, public goods, common resources, and natural monopoly goods.
 - *Practice AP multiple choice to review Unit 1-2. Explain using content vocabulary why you selected the answers you did.*
- Relate the tragedy of the commons to the free-rider problem and analyze how the government intervenes.
 - *Practice AP multiple choice to review Unit 3-4. Explain using content vocabulary why you selected the answers you did.*

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- Utilize the Lorenz Curve and Gini coefficient to describe economic inequality of countries, its development, and how the governments currently and potentially should intervene.
 - *Practice AP multiple choice to review Unit 3-4. Explain using content vocabulary why you selected the answers you did.*
- Define poverty and explain trends of poverty incidences.
 - *Practice AP multiple choice to review Unit 1-5. Explain using content vocabulary why you selected the answers you did.*

Instructional Strategies/Differentiated Instruction

- **HLP:** Writing to learn (TWPS)
- **HLP:** Accountable Talk
- **HLP:** Effective Feedback
- Homework: reading and practice problems
- Lecture with notes
- Close reading with annotations
- Accountable Talk discussions
- Graphic organizers
- Self-assessments
- Strategic grouping
- Rephrasing information for students
- Student choice
- Learning through competitive games
- Personal connections
- Problem sets with practice AP test questions'
- Graphing practice
- Hands on simulations of concepts
 - Tragedy of the Commons

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Assessments

FORMATIVE ASSESSMENTS:

- Daily Written Reflections/ Prompts
- Group Discussion
- Problem Sets: Factor Markets
- Graphing Assignment (perfect competition & monopolistic labor markets showing shifts in demand/ supply.)
- AP test questions
- Unit Task: Final Chapter Concept Presentations
 - Rubric 5: Civic and Social Responsibility

SUMMATIVE ASSESSMENTS:

- Quiz (EU 1 & 2)
- Unit Task: Inequality interventions- Reflection
- Unit Test

Unit Task

Unit Task Name: Final Chapters Presentations

Description: Students will design a presentation that covers content from EU 1, 2, and 3. They must construct their presentation around the assigned textbook chapters utilizing key vocabulary to explain concepts of the chapter. In addition to a presentation, students must create a note taking sheet and practice problems based on assigned AP style questions.

Evaluation: MSMHS Rubric 5: Civic and Social Responsibility

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Unit Resources

- ACDC Economics: Youtube
- Foundations of Economics, Bade and Parkin: Excerpts & practice problems from chapters 10, 11, 16.5, 18.4, 20
- Released AP Microeconomics tests
- Laptops