

Unit 1: Basic Concepts
AP Microeconomics
9 Class Meetings

Rev. June 2019

Essential Questions

- How do economists forecast market decisions?
- What can individuals and firms do to most effectively use resources?

Enduring Understanding with Unit Goals

EU 1: Economists apply scientific method to their studies.

- Analyze and develop simplified models
- Utilize the circular- flow diagram and the production possibilities frontier models

EU 2: Individual firms and consumers must make decisions about how to effectively allocate resources.

- Explain the difference between scarce and free goods
- Analyze the opportunity costs of consumers and firms in different scenarios
- Analyze how consumers and firms make choices on the margin
- Utilize the Production Possibility Curve to explain productive efficiency

EU 3: Absolute and comparative advantage help determine the most efficient producer.

- Explain the difference between absolute and comparative advantage
- Create trade situations based on the benefits of comparative and absolute advantage

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.

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- **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.
- **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.

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- **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.

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 3. Make decision and solve problems independently and collaboratively
Competency 5. Contribute to a positive learning environment with respect and responsibility

Unit Content Overview

- Circular flow model
- Scarce Goods
- Free Goods
- Factors of Production (labor, land, capital)
- Opportunity Cost
- Production Possibilities Curve (Frontier)
- Comparative Advantage
- Absolute Advantage
- Specialization and trade
- Economic Systems
- Emerging Market Economies
- Developing economies
- Circular flow model
- Property rights
- Incentives
- Marginal cost
- Marginal benefit
- Marginal analysis

Interdisciplinary Connections

- Marine Studies I – Allocation of scarce resources

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- Environmental Science- Renewable resources
- Marine Studies I- Making choices as firm leader to allocate resources
- Marine Science- Allocation of scarce resources
- Aquaculture and Resource Management- Conserving natural resources, understanding choices consumers and firms need to make
- Aquatic Husbandry- Making choices as firm leader to allocate resources, entrepreneurship, factors of production
- AP Computer Science Principles- impact of new technology on factors of production
- English III- changes in society can lead to changes of factors of production
- AP/ECE English Language and Composition- changes in American society can lead to changes of factors of production
- 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

Daily Learning Objectives with TWPS Activities

Students will be able to...

- Analyze the difference and use of scarce and free goods to understand consumer choice
 - *Think to the most difficult decisions your group had to make. How did the Alien Attack activity represent scarcity?*
- Define and utilize basic economic concepts to explain key vocabulary
 - *Retell your weekend and explain 3 choices you had to make with scarce resources and 1 use of a free good.*
- Understand models economists use to analyze markets
 - *Identify the parts of the circular flow diagram that you and your family contribute to.*
- Evaluate opportunity cost of the choices of individuals and firms in utilizing resources
 - *In the story, identify the opportunity costs Harold incurs.*
- Draw and analyze a production possibilities curve based on given data
 - *Reflect on the experiment in class, what were the major difficulties? How did this impact production?*
- Explain difference and meaning of comparative and absolute advantage.
 - *How is comparative and absolute advantage helpful to producers in determining production and trade?*

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- Synthesize knowledge of comparative and absolute advantage to determine which firms have absolute and comparative advantages in a given market
 - *AP Practice Multiple Choice & Explanation of answer*
- Predict trading decisions based on calculation what firm has comparative/ absolute advantage
 - *How can trade help both firms be more successful.*
- Analyze how individuals and firms make choices based on opportunity cost and marginal benefit analysis
 - *Bobby is obsessed with donuts. He makes a bet with Terry that he could eat an infamous amount of donuts. Explain how Bobby will realistically feel after the first donut, the second? The fifth? The 10th? The 15th? Eventually what will happen to his consumption?*

Instructional Strategies/Differentiated Instruction

- **HLP:** Academically Productive Talk
- **HLP:** Writing to Learn (TWPS)
- **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
 - Design your own PPF

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- Scarce Resource Scramble

Assessments

FORMATIVE ASSESSMENTS:

- Daily Written Reflections/ Prompts
- Group Discussion
- Problem Set
- Graphing Assignment (PPF)
- (EU 1,2,3)
 - MSMHS Rubric 3: Lab Report
- Problem Set 1: Unit 1 Basic Concepts FRQ 2016 #2
 - MSMHS Rubric 3: Problem Solving

SUMMATIVE ASSESSMENTS:

- Design Your Own Production Possibilities Curve
- Quiz (EU 1 & 2)
- Design your own Productions Possibilities Frontier (EU 1,2,3)- In class Activity
- Unit Test

Unit Task

Unit Task Name: Production Possibilities Curve Trading Solutions

Description: Students will use information they learned about choices individuals and firms make about allocating resources (EU 1 & 2) to consul existing firms into making appropriate and impactful trades. Students are seeking to answer the questions “How can production be maximized with the given resources?” Students will identify which firm has the comparative and absolute advantage for both goods being produced and then identify the trade that should take place for both firms to maximize profit.

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Evaluation: MSMHS Rubric 3: Lab Report

Unit Resources

- ACDC Economics: Youtube
- *Foundations of Economics*, Bade and Parkin: Excerpts & practice problems from chapters 1,2,3
- Released AP Microeconomics tests
- Laptops