

AP MACRO/ MICRO ECONOMICS
2021-22
SUMMER ASSIGNMENT

This self-guided summer assignment is designed to prepare you for the rigors of a college level course, while ensuring that everyone is equally prepared upon the commencement of the course in August. In particular, this assignment will help you develop the necessary language skills and content vocabulary to be successful in AP Economics. Should you have a need you may contact me via email: lance.walsworth@montverde.org I will check email a few times a week, so it might take a day or two for me to respond. Do not panic. I am here to help.

Six Basic Principles to Understand Economics

1. People must make choices.
2. All choices have a cost.
3. People respond to incentives in predictable ways.
4. Economic systems influence people's choices.
5. Voluntary exchange creates wealth.
6. The future consequences of our choices matter the most.

Application of Principles:

Option A: Complete all of your summer assignment on time and in full.

Cost: Sacrifice of several hours of your summer vacation.

Benefit: Begin the school year and the AP course well prepared and with an excellent grade.

Option B: Complete your summer assignment at the last moment before the end of summer.

Cost: Sacrifice a few hours of sleep the night before the assignment is due. Hope that your instructor is naïve enough to believe that you did not wait until the last minute or loses some respect for your effort level as a student. Probably get an okay grade.

Benefit: You lose very little summer vacation time.

Option C: Do not complete your summer assignment.

Cost: You begin the AP course with an F for your assignment.

Benefit: You did not have to do any summer work.

Steps to Successful Completion of the Assignment

Readings: You should have an e-text of *McConnell and Brue's, economics, 20th edition*. You should have the first two chapters and chapter 8 (Pages 1– 50, 173-193) read, outlined and prepared to discuss on the first day of class. Ms. Abreu in the textbook room can set up your e-text for the summer please contact her for that information.

Step #1: Understand that this assignment is due on September 12th. Create a Quizlet for the terms and concepts in Chapter 1 (P. 21) and Chapter 2 (P. 49). Be sure to include a definition as well as an application of the concept to a real-world situation.

Step #2: Understand that this assignment is due on September 24th. Complete a short iMovie / Video / PowerPoint / Prezi for the following economic concepts/graphs. Create the visual by including the graph and a complete explanation of the graph.

- *circular flow model*

Step #3: Submission On or before: October 8th. Answer the following with a short paragraph description for each.

➤ **Answer each of the following in a short paragraph. Please use real world examples to illustrate your understanding.**

- 1) What is the “economic way of thinking”, and how is it influential in making decisions? Include a discussion about: purposeful behavior, utility and cost / benefit analysis
- 2) What is the economizing problem that all societies encounter?
- 3) What is the relationship between investment and economic growth?
- 4) How does a market system address the production, development and growth?
- 5) What is Adam Smith's invisible hand concept?