

AP Economics Summer Assignment (2018)

Welcome to AP Economics!

In the coming 2018-2019 academic year, we will tackle **AP Microeconomics** in the 1st semester and **AP Macroeconomics** in the 2nd. Your Summer Assignment is the first unit of six full units in the AP Microeconomics curriculum. The small number of hours we have together in Semester I requires us to complete at least this in order to get through what we need to in the first semester. Therefore, this class depends on your ability to do a great deal of INDEPENDENT learning.

Your Summer Assignment is divided into 5 parts and I will administer a weighted test on **Parts 1 through and including 4**, at the beginning of the **second week** of the new school year.

The link to the text you will use over the summer, **Krugman's Economics for AP**, is the very FIRST item posted below. This is your main resource for the summer. The links posted below are supporting materials (PDFs, PPTs, and videos) to help you apply and practice the concepts you will read about in Krugman.

Whenever I refer to "the text" or "Krugman," this is the text to which I am referring. **For those of you who have not had me before, I'm not interested in "Internet Blues" stories, i.e. why you couldn't get parts of the assignment done. If you know you will be in a place this summer without a good Internet connection, plan accordingly!**

When I write "**SAP 1.1**," this refers to Summer Assignment Part 1, section 1. The documents/videos, etc. are posted in the order in which you should study them. The links below also contain practice problems you can do on your own to test your ability at applying what you study. *I have also included the answers so that you can see if they are correct.

NOTE: The AP Economics curriculum is designed in such a way that each concept builds on the previous one. It is easy to fall behind, so beyond simply reading and studying the concepts in the order I tell you, it is **imperative** that you work through the practice problems and quiz yourself as you go!

**If any of the links are temporarily not working, please let me know and I will try to fix it immediately. Let me know: cjellinek@aosr.org.*

AP Economics Summer Assignment 2018

AP Economics Textbook: Krugman's Economics for AP

*This link below is the text you will be using for the Summer Assignment and during the school year. This summer assignment depends heavily on access to Internet, so plan accordingly. For those of you who do not know me, I will accept excuses for not getting it done.

https://www.uplifteducation.org/site/handlers/filedownload.ashx?moduleinstanceid=16502&dataid=38459&FileName=Krugman_s%20Economics%20for%20AP.pdf

1. Summer Assignment (SAP) – Intro to Basic Economic Concepts, PPCs and Opportunity Cost

SAP 1: Read Krugman's text – Modules 1 and 3

(a) SAP 1.1 (Scarcity and Choice)

[http://www.conejousd.org/Portals/49/Departments/Social%20Science/Freed/Unit%201%20Summary%20\(For%20Posting%20Online\).pdf](http://www.conejousd.org/Portals/49/Departments/Social%20Science/Freed/Unit%201%20Summary%20(For%20Posting%20Online).pdf)

(b) SAP 1.2 (Scarcity, Trade Offs and Opportunity Costs):

- (c) [http://www.conejousd.org/Portals/49/Departments/Social%20Science/Freed/Unit%201%20Summary%20\(For%20Posting%20Online\).pdf](http://www.conejousd.org/Portals/49/Departments/Social%20Science/Freed/Unit%201%20Summary%20(For%20Posting%20Online).pdf)
- (d) **SAP 1.3 (4 Factors of Production) – Go through *both* sites very carefully!**
 - (1) <https://www.tutor2u.net/economics/reference/factors-of-production>
 - (2) <https://open.lib.umn.edu/principleseconomics/chapter/2-1-factors-of-production/>
- (e) **SAP 1.4 (PPCs and Opportunity Cost)**
<https://www.birdvilleschools.net/cms/lib2/TX01000797/Centricity/Domain/4466/Economic%20Growth%20Practice%20and%20KEY.pdf>
- (f) **SAP 1.5 (PPCs and Opportunity Cost - Practice with Answers)**
<http://www.troup.org/userfiles/929/My%20Files/Social%20Studies/Economics/Fundamental%20Concepts/Concept%203%20PPC/PPC%20Practice%20-%20You%20do.pdf?id=8938>

2. Summer Assignment (SAP) – Absolute Advantage & Comparative Advantage

SAP 2: Read Krugman’s text – Module 4

- (a) **SAP 2.1 - Absolute & Comparative Advantage Explained (PPT)**
https://elearning2.uniroma1.it/pluginfile.php/288765/mod_resource/content/1/abs_comp_adv.pdf
- (b) **SAP 2.2 – Kahn Academy – Comparative Advantage & Scarcity Explained (video #1)**
<https://www.khanacademy.org/economics-finance-domain/ap-macroeconomics/basic-economics-concepts-macro/scarcity-and-growth/v/comparative-advantage-specialization-and-gains-from-trade>
- (c) **SAP 2.3 – Kahn Academy – Comparative Advantage & Scarcity Explained (video #2)**
<https://www.khanacademy.org/economics-finance-domain/ap-macroeconomics/basic-economics-concepts-macro/scarcity-and-growth/v/comparative-advantage-and-absolute-advantage>
- (c) **SAP 2.4 – Kahn Academy - Terms of Trade (video #3)**
<https://www.khanacademy.org/economics-finance-domain/ap-macroeconomics/basic-economics-concepts-macro/scarcity-and-growth/v/terms-of-trade-and-the-gains-from-trade-macroeconomics-khan-academy>
- (d) **SAP 2.5 - Absolute & Comparative Advantage Practice # 1 (with answers)**
https://www.bxscience.edu/ourpages/auto/2015/3/31/50862649/Comparative%20Advantage%20ANS%20KEY_.pdf
- (e) **SAP 2.6 - Absolute & Comparative Advantage Practice # 2 (with answers)**
<https://www.birdvilleschools.net/cms/lib/TX01000797/Centricity/Domain/4466/Comparative%20Advantage%20Practice%20Problems%20KEY.pdf>
- (f) **SAP 2.7 – Economic Growth Practice #3 (with answers)**
<https://www.birdvilleschools.net/cms/lib2/TX01000797/Centricity/Domain/4466/Economic%20Growth%20Practice%20and%20KEY.pdf>

- (g) **SAP 2.8 – Absolute & Comparative Advantage, Opportunity Cost Practice # 4 (with answers)**
<https://www.rtmsd.org/cms/lib9/PA01000204/Centricity/Domain/189/Comparative%20Advantage%20Answers.pdf>

3. Summer Assignment (SAP) – Supply & Demand

SAP 3: Read Krugman’s text – Modules 5, 6 & 7

- (a) **SAP 3.1 Supply and Demand Explained**
<http://web.uvic.ca/~aahoque/VIU/Chapter%203.pdf>

Supplement (text alternative):

[file:///Users/cjellinek/Downloads/mcconnell_brief2e_sample_ch03%20\(1\).pdf](file:///Users/cjellinek/Downloads/mcconnell_brief2e_sample_ch03%20(1).pdf)

- (b) **SAP 3.2 Supply & demand Explained (ACDC video)**
<https://www.youtube.com/watch?v=LwLh6ax0zTE>

- (c) **SAP 3.3 – Supply & Demand Practice #1 (with answers):**
<https://www.bcsoh.org/site/handlers/filedownload.ashx?moduleinstanceid=12082&dataid=20764&FileName=supply%20and%20demand%20practice%20two.pdf>

- (d) **SAP 3.4 – Supply & Demand Practice #2 (with answers):**
<https://1.cdn.edl.io/LhCdmJ32LvsBooBmHma31yuii5wCm4QSuoJEx0m8J0xTpXxF.pdf>

- (e) **SAP 3.5 - Supply & Demand Practice #3 (with answers):**
<http://www.ase.tufts.edu/gdae/publications/textbooks/micstudyguide/chapter04.pdf>

- (f) **SAP 3.6 - Supply & Demand Practice #4 (with answers):**
<http://academic.udayton.edu/PMIC/MC%20Questions/Chap%203%20mc.pdf>

4. Summer Assignment (SAP) – Elasticity (Price-, Income- and Cross-Price Elasticity)

SAP 4.0: Read Krugman’s text – Modules 46, 47 & 48

- (a) **SAP 4.1 – Price Elasticity of Demand Explained #1:**
<http://www2.aueb.gr/users/gecon/Elasticities%20of%20Demand%20and%20Supply.pdf>

- (b) **SAP 4.2 – Elasticity Explained #2:**
<https://www.unf.edu/~traynham/ch05lecture.pdf>

- (c) **SAP 4.3 – Elasticity of Demand and Elasticity of Supply Explained #3:**
<http://www2.aueb.gr/users/gecon/Elasticities%20of%20Demand%20and%20Supply.pdf>

- (d) **SAP 3.4 – Elasticity Practice #1 (with Answers):**
<http://seaver-faculty.pepperdine.edu/jburke2/ba210/PowerP1/Set6Answers.pdf>

(e) **SAP 4.5 – Elasticity Practice #2 (with Answers):**

http://faculty.fortlewis.edu/walker_d/practice_problems_-_elasticity.htm

(f) **SAP 4.6 – Elasticity Practice #3 (with Answers):**

http://www.ase.tufts.edu/gdae/Pubs/te/MIC/3e/MIC_3e_SSG_Ch4.pdf

(g) **SAP 4.7 – Elasticity Practice #4 (with Answers):**

<http://academic.udayton.edu/pmic/mc%20questions/chap%204%20mc.pdf>

(h) **SAP 4.8 – Elasticity Practice #5 (with Answers):**

http://www.ase.tufts.edu/gdae/Pubs/te/MIC/3e/MIC_3e_SSG_Ch4.pdf

5. Summer Assignment (SAP) – Summer Assignment Part V: "Economics in the News."

Read about and watch what's going on in the world! This is REAL LIFE and we are living economic history as we watch what is happening in the Eurozone, with Brexit, in Venezuela, with NAFTA and tariffs. Pay close attention and WATCH, LISTEN and ASK QUESTIONS!!!

Online resources of economic current events:

(1) Financial Times:

<http://www.ft.com/home/uk>

(2) Wall Street Journal:

<http://www.wsj.com/europe>

(3) New York Times (Business Section):

<http://www.nytimes.com/pages/business/index.html>

(4) BBC

<https://www.bbc.com/news>

Your "M.O" (i.e. *modus operandi*) for this summer: The Krugman text, the videos and the practice problems I posted I listed here for your Summer Assignment will be your best friend all summer (and used as a continual reference throughout the year), so give it a big kiss and a hug and make Krugman your pal!

Here is your summer day in a nutshell: alarm clock goes off, give Krugman text a hug, hug your mom, study Krugman, eat breakfast, study Krugman, swim and be outside (use sunscreen!), study Krugman, eat lunch, study Krugman, hug your dad, work on econ practice problems, eat...and repeat. In the evening....call a friend and explain how supply and demand works. Got it?

*For those of you who are very ambitious and looking to get even more of a start on the year and read beyond the Summer Assignment, be careful....the Krugman text starts with Macroeconomics, but we will start the year with Microeconomics!...so if you are planning to read ahead, be sure you are reading the right section of the text!

ENJOY and have a GREAT summer!