

A.P. Microeconomics & Macroeconomics

Summer Work

Microeconomics will be the focus of this class. You will learn about micro- as well as macro-economics. Economics is the study of production, distribution, and consumption of good and services. You will learn what determines price, what effect government regulation has on availability of goods, and how man deals with the age-old question: Why can't I have everything I want?

Due to district requirements we will also study how our government works.

Economics is not like history, or civics. It has a special way of thinking that is barely as old as our own nation. For this reason, I want you to prepare to think like an economist. So, here is what I want you to do before you return next fall.

- ◆ **Memorize these seven principles of economics for the first day.**
 1. **People make choices**
 2. **All choices involve costs**
 3. **People respond to Incentives in predictable ways**
 4. **Economic systems influence individual choices and Incentives**
 5. **People benefit from voluntary trade**
 6. **The consequences of choices lie in the future**
 7. **The test of a theory is its ability to predict.**

- ◆ **Over the course of the summer select one article from *The News Journal* (online edition is www.delawareonline.com) and complete an economic analysis of the situation described in the article. To do so please consider the following-**
 - ◆ **Is the topic concerning one market or interconnected markets?**
 - ◆ **Is this a macroeconomic or microeconomic topic? Why?**
 - ◆ **Is the issue effecting any of the following economic indicators-**
 - Supply and Demand
 - Gross Domestic Product (GDP)
 - Unemployment (Local/National)
 - Utility
 - Federal Reserve
 - Elasticity of Demand
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 - ◆ **Once analyzing the above topics ask yourself these questions-**
 - Are there +/- economic impacts you predict will occur?
 - Are there unintended consequences you foresee due to the economic decision being made in article you chose?
 - Will the events and decisions in the article be good or bad for the circular flow of the economy?
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- ◆ **The economic analysis must be no more than 2 pages typed. You must also include a copy of your article with your analysis.**

◆ **Outline Chapters 1-3 from the Economics textbook that you received at the end of the school year.**

- Outlines should be a minimum of 2 pages, typed.
- Outlines are a study tool for you and should be done in a way that best helps you understand the material.
- You are taking the equivalent of a college class, so the outlining you will do in this class is personal to you and you should treat it that way. For this reason, there is no mandatory format prescribed to you.

- **All work should be typed and double-spaced, and is due the FIRST DAY BACK TO SCHOOL!**

That's it! If you can get this done for Mr. Manlove by the first day of school next year, you are welcome to join in our wonderful study of "Why I can't have everything I want?"

Have a great summer!