

AP Economics Summer Assignment

Mrs. Montano



Welcome to AP Econ! Economics is the study of how we, as humans, allocate our limited resources to deal with our unlimited wants. This summer you need to start thinking like an economist.

Course Overview:

Advanced Placement Economics is essentially two college-level courses designed to prepare you to take two AP exams in May. Microeconomics examines the behaviors of firms and individuals within an economic system and how they interact. Macroeconomics examines economy wide phenomena including inflation, unemployment, and economic growth. By taking this course and mastering the material you will find yourself more prepared to meet the challenges of the 21st century and have success in the global marketplace.

Your summer assignment starts with a choice, or an opportunity cost, if you will.

Choice A: Read Freakonomics and complete the assignment to follow.

Choice B: Choose to NOT read a book and NOT complete the assignment below. Now here's your choice: if you choose this option you get a 0 out of 100 for the first grade of the semester; remember "Opportunity Cost" is what you give up to have the next best alternative. You chose a "do nothing" summer because that sounds fun, but you sacrifice a good grade in the course from the get-go.

Use the **final page** Handy Dandy Guide to Economics and let's apply it in this scenario...**first, students choose; second, all choices involve costs; third, people respond to incentives in predictable ways; and finally, the Consequences of Choices Lie in the Future.**

1. You will choose whether or not to do this assignment because you will have to make a choice.
2. Your choice to read and write means you will give up going to the pool or the beach or the movies or playing video games.
3. You will likely do this assignment because your incentive, a possible 100 points is a possible 100 points, and you know something out of 100 is better than 0 out of 100. So by that logic, 95%

of you will do this assignment though you may do it begrudgingly or poorly but you'll still complete it because of the incentive set before you (100 points in case you forgot).

Now for the 5% (that's going to be MAYBE but hopefully not 2 of you), your choice not to do this assignment means you don't get the incentive, which means now you have a consequence to face in the future: a 0 out of 100 for first grade; parents yelling at you about your grade, etc. The thing is, unlike an economist, you actually know what happens in the future when you make this choice so the question is:

Why you would choose that option, already knowing the long-term consequence?

Freakonomics can be found at Barnes and Nobles, Amazon.com, etc. I wholeheartedly suggest getting your own copy, and most of these books can be bought used on Amazon; you can also save the Earth and visit your local library.

Part 1: Read Freakonomics-- Steven D. Levitt Stephen J. Dubner

The Actual Summer Assignment:

I want you to do TWO (2) more things now.

1. Summarize what you read in 2-3 paragraphs. This will be worth 33 points.
2. Apply the Handy Dandy Guide to Economics to the text that you read by using THREE (3) of the Rules from the guide. Write one paragraph for each rule you choose that:
 - a. Explains how what you read in the book reflects that rule. Use examples from the text to support your points via quotations.
 - b. For example, if you feel a lot of the book tailored to Rule 2 then explain how it did so, citing examples from the text. By the way, if you've actually read this whole assignment so far, you'll note that I have, to a small degree, been showing you how to apply the Handy Dandy Guide. . .think about it for a minute. If you haven't read the whole assignment, go back and do so you'll learn something.
 - c. You will cite like this (p. 145) or (145). No need for author since you're only referencing this one book.
 - d. This section will be worth a combined 66 points; 22 points per paragraph.
 - e. Just to be clear again: this means you are writing a total of FIVE or SIX paragraphs. = 99 points total.

Grading

Essays must be **PRINTED** and least TWO (2) pages in length (my hope is that what you read and what you learn pushes you to want to write more than 2 pages); double spaced TYPED in Times New Roman, size 12 Font, with 1 inch margins. Following all these rules is worth .5 points. So where's your other .5 point come from? Handwrite your Name and Period in the top right corner on the first page of your essay.

No name? Automatic 0. Plagiarize? Cheat? Automatic 0. And referral and expulsion from NHS if that applies.

As you'll learn sometimes, the government (me) can over-regulate the economy and it causes problems in the economy (class). In this case, though; the regulations benefit all of us - why you ask?

1. Regulations make it easier for me to grade your papers.
2. Don't believe me? Then ask yourself why it takes so long to get some things back when you don't follow the rules. It's because most teachers will put the papers that don't conform at the bottom of the pile or simply grade them last when submitted.
3. These same regulations then allow me to get your grade to you faster, in theory of course, seeing as how I do have another full-time job overseeing your overall academic performance on the AP Exams.

Other Stuff:

1.If you have questions over the summer, email me before the 1st day of class. I will answer email at jmontano@wtps.org or you can send me a Remind via texting 81010 with @c474b9 ←Summer AP Econ!

Please don't feel weird or nervous about asking me a question, I embrace it.

2. Conventional logic should have answered this question as did reading, but I bet some of you didn't fully read the details. Without further ado, this assignment is worth 100 points towards your 1st Semester grade.

3. This is DUE **PRINTED** on 9/10-Regardless of any rotation in the schedule. There **MAY** be an incentive for you if you submit it **EARLY**- so stay tuned. If for some reason your period does not meet with me on that day due to the schedule you will drop it off during your lunch to B4. You can also put it in my mailbox in the 11/12 Main Office. Don't ask for pity, sympathy, mercy, warmth, pardon, etc. **I WILL NOT ACCEPT YOUR PAPER LATE.** Like Rule 6 says, The Consequences of Choices Lie in the Future. . .the consequence is obvious here so don't bring that consequence upon yourself. Otherwise enjoy your summer! 😊

HANDY DANDY GUIDE TO ECONOMICS

1. People choose to do the things they think are best for them.
 - a. We live in a world where we can't have everything we want.
 - b. Resources, goods, services, time, and money are scarce so we have to make choices.
2. Choices have costs.
 - a. When we choose something, we give up the opportunity to have something else. It is the inevitable nature of choice.
 - b. It is as important to examine "what we forgo as it is to think about what we will get if we choose one alternative over another."
3. People respond in predictable ways.
 - a. Rational people seek positive rewards - they also seek to avoid negative consequences.
4. People create economic systems that influence choices and incentives.
 - a. A society's economic system organizes the production, distribution, and consumption of goods and services.
 - b. How people Work together in the system is governed by both Written and unwritten rules.
 - c. When the rules change incentives change; when incentives change choices change.
5. Voluntary trade creates wealth.
 - a. People tend not to enter into transactions that they believe will make them worse off rather than better off.
 - b. People can produce more in less time by concentrating on "what they do best."
 - c. Specialization based on comparative advantage combined with voluntary trade means there will be more total output.
6. The consequences of choices lie in the future.
 - a. We cannot change the past, but we can influence the future.
 - b. Every choice or decision we make is based on prediction of what the benefit and cost of our alternatives will be.
 - c. The more information we have about alternatives the better our predictions should be.