

LIGHTHOUSE CPA HIGH SCHOOL

SOCIAL SCIENCES DEPARTMENT

AP ECONOMICS PROGRAM COURSE PERSPECTIVE

WHY ECONOMICS ?

The victory of capitalism has brought about advances in technology that have reduced the one-time vastness of our globe. Instant communication with individuals across the earth, through faxes, telephones, and computers, has expanded trade in goods, services and ideas. Consumers and producers now rely on economic information from countless sources in their decision-making processes. Therefore, an awareness of basic economic theory and principles has become imperative for the active citizen.

To facilitate a better understanding of economic theory and principles, economists divide the study of economics into two branches: Microeconomics, which examines the behaviors of individual businesses and individual households in economic decision-making; and macroeconomics, which focuses on the analysis of the economy as a whole dealing with the determination of national output, including national income, price levels, and total employment. The first area offers a microscopic view of economic decision-making, whereas the latter looks at the big picture.

LIGHTHOUSE CPA'S AP ECONOMICS PROGRAM

At Lighthouse CPA we offer a year long AP Economics program that teaches the theory and principles of both micro and macroeconomics. We believe that both branches of study are critical to our student's academic development and it is impossible to complete teaching both in one semester.

Since having a foundation of knowledge in microeconomics is needed to be successful in developing a competency in the study of macroeconomics, we teach microeconomics in the first semester. In the second semester we then teach macroeconomics and prepare for the AP Macroeconomics exam which is administered in May.

MICROECONOMICS

The microeconomics portion of the course is designed to provide students with a thorough understanding of the principles of economics as they apply to individual decision-making units, including individual households and firms. Students taking the course will spend time examining the theory of consumer behavior, the theory of the firm, and the behavior of profit-maximizing firms under various market structures. They will evaluate the efficiency of the outcomes with respect to price, output, consumer surplus, and producer surplus. Students will have an opportunity to examine the behaviors of households and businesses in factor markets, and learn how the determination of factor prices, wages, interest, and rent influence the distribution of income in a market economy. Students will also consider instances in which private markets may fail to allocate resources efficiently and examine various public policy alternatives aimed at improving the efficiency of private markets.

MACROECONOMICS

The macroeconomics portion of the course is designed to provide students with a thorough understanding of the principles of economics in examining aggregate economic behavior. Students taking the course can expect to learn how the measures of economic performance, such as GDP, inflation and unemployment, are constructed and how to apply them to evaluate the macroeconomic conditions of an economy. Students will also learn the basic analytical tools of macroeconomics, primarily the aggregate demand and aggregate supply model and its application in the analysis and determination of national income, as well as evaluating the effectiveness of fiscal policy and monetary policy in promoting economic growth and stability. Recognizing the global nature of economics, students will also have ample opportunities to examine the impact of international trade and international finance on national economies. Various economic schools of thought are introduced as solutions to economic problems are considered.

WHO SHOULD TAKE AP ECONOMICS ?

Who should take AP Economics ? The course is designed to meet a variety of student needs, from students preparing for college work who want a solid foundation in economic theory, to those soon to enter the labor force who need to understand how they fit into the cycle of economic activity. Students' reasons for taking the course will vary, but as long as they demonstrate an interest in understanding how the economy works and their role in that operation, encouragement should be given. Please note that the course is not intended for those who are eager to learn the details about the stock market or consumer finance.

Each school has devised its own criteria for selecting students for AP Economics. Selection is usually the result of a collaborative effort by administrators, counselors, and teachers. Reliance on GPAs, letters of recommendation, and overall commitment are generally considered.

AP Economics does not require students to have had a course in calculus. All mathematical problems given on the AP Exam can be done without the use of a calculator. Graphing skills, though, are an essential prerequisite. Much of the course centers on the manipulation of market structure graphs.

How useful is a course in AP Economics? For students, AP Economics presents a challenging high school course, offers the opportunity to earn college credit and/or advanced standing, and definitely prepares students for rigorous college work. The course often generates greater self-confidence and motivation.

Success in the AP Economics course is encouraging for the student, school, community, and nation, as the course is ultimately designed to help facilitate the growth of an economically aware citizenry. Teachers and students working together can accomplish this goal.