

## **AP Economics Summer Assignment- Oratory Prep**

Some say learning about economics is not as difficult as learning AP Physics or AP Calculus. However, unlike those subjects, you took previous science classes and math classes that helped prepare you for them. You have not been prepared for an AP Economics class. There is a great deal of analysis and graphing involved, but none of it is related to the usual mathematical graphing that you are accustomed to. All of the variables are based on economics, not mathematics.

The purpose of all AP classes is to simulate the college classroom environment in every way. As such, you are solely responsible for the grades that you earn. In college you will be expected to earn your grades by performing well on every test, and I will hold every student accountable to that standard.

The unit tests are difficult, and very similar to the actual AP exams. The tests are not just memorization. There are no questions that simply ask you to define key terms. Every question requires deep analysis of economic facts and situations. The tests are designed to be similar to a college level test. Each and every question on the unit tests is the equivalent of an AP exam question. Be prepared to study often and ask a lot of questions in class as new material is covered.

## **E-MAIL Mr. Gaertner for any questions:**

[agaertner@oratoryprep.org](mailto:agaertner@oratoryprep.org)

Directions: Answer the following questions in a clear and concise manner. The first five questions will be due Monday, August 12<sup>th</sup>. The last five will be due Monday Aug. 19<sup>th</sup>. You can email me the questions on a word document or Google doc.

- 1) Explain opportunity costs. Describe 3 examples from your everyday life that makes a connection between your life and the concept.
- 2) Explain the idea of scarcity. How are opportunity costs related?
- 3) List the 4 (sometimes 5) economic resources. They can also be known as factors of production.
- 4) What is the connection between the concepts of factors of production, scarcity and opportunity costs?
- 5) Economics is based on making decisions. Describe the idea of trade-offs.
- 6) Explain how each decision, whether small business, corporate, government etc. uses the following concepts: rational self-interest, cost-benefit analysis, marginal costs, marginal benefits, trade-offs, and opportunity costs.
- 7) What effect does a rise in the value of the dollar relative to the euro have on US net exports?
- 8) How does a change in interest rates effect consumption and investment?
- 9) Explain the aggregate demand/aggregate supply model.

10) Choose 3 articles (ex. CNN/Money) write a synopsis on why you chose it and how it is important to the macro/micro economy as a whole. (no more than a page) ALWAYS remember to cite your sources.

\*Please purchase *How to think like an Economist* by Roger A. Arnold and complete the book by the first day of class\*

The Amazon link is below. You can buy a new or used version - your choice. Please write down how you think like an economist on a daily basis. Please critique your favorite/least favorite part of the book and why (1 page length). Also – be ready for an assessment on the first or second day!

[https://www.amazon.com/s/ref=nb\\_sb\\_ss\\_i\\_5\\_21?url=search-alias%3Daps&field-keywords=how+to+think+like+an+economist&prefix=how+to+think+like+an+%2Caps%2C136&crd=2JOGDDP6F2QNF](https://www.amazon.com/s/ref=nb_sb_ss_i_5_21?url=search-alias%3Daps&field-keywords=how+to+think+like+an+economist&prefix=how+to+think+like+an+%2Caps%2C136&crd=2JOGDDP6F2QNF)

Enjoy the summer and time off!