

SYLLABUS DEVELOPMENT GUIDE

AP[®] Macroeconomics

The guide contains the following sections and information:

Curricular Requirements

The curricular requirements are the core elements of the course. A syllabus must provide explicit evidence of each requirement based on the required evidence statement(s).

The Unit Guides and the “Instructional Approaches” section of the *AP[®] Macroeconomics Course and Exam Description* (CED) may be useful in providing evidence for satisfying these curricular requirements.

Required Evidence

These statements describe the type of evidence and level of detail required in the syllabus to demonstrate how the curricular requirement is met in the course.

Note: Curricular requirements may have more than one required evidence statement. Each statement must be addressed to fulfill the requirement.

Samples of Evidence

For each curricular requirement, three separate samples of evidence are provided. These samples provide either verbatim evidence or clear descriptions of what acceptable evidence could look like in a syllabus.

Curricular Requirements

CR1	The students and teacher have access to a college-level macroeconomics textbook.	<i>See page:</i> 3
CR2	The course provides opportunities to develop student understanding of the big ideas of the course.	<i>See page:</i> 4
CR3	The course provides opportunities to develop student understanding of the required content outlined in each of the units described in the AP Course and Exam Description (CED).	<i>See page:</i> 5
CR4	The course provides opportunities for students to develop the skills in Skill Category 1: Principles and Models.	<i>See page:</i> 10
CR5	The course provides opportunities for students to develop the skills in Skill Category 2: Interpretation.	<i>See page:</i> 11
CR6	The course provides opportunities for students to develop the skills in Skill Category 3: Manipulation.	<i>See page:</i> 12
CR7	The course provides opportunities for students to develop the skills in Skill Category 4: Graphing and Visuals.	<i>See page:</i> 13

Curricular Requirement 1

The students and teacher have access to a college-level macroeconomics textbook.

Required Evidence

- The syllabus must cite a **college-level** macroeconomics textbook.

Samples of Evidence

1. The syllabus sufficiently cites (author, title, and edition) textbooks or materials included in College Board's Example Textbook List.
2. A full citation for a college-level macroeconomics textbook is included in the syllabus—e.g., Last Name, First Name. *Principles of Macroeconomics*. 2nd ed. City: Publisher, 2019.
3. The syllabus makes reference to a college-level textbook and includes the ISBN so that the book can be easily located by the reviewer—e.g., Author's *Principles of Macroeconomics* (ISBN: 1234567890).

Curricular Requirement 2

The course provides opportunities to develop student understanding of the big ideas of the course, as outlined in the AP Course and Exam Description (CED).

Required Evidence

- The syllabus must explicitly list each of the big ideas.
- AND
- Either in a statement or through a brief description of activities or both, the syllabus must identify one big idea and then demonstrate how it is covered in **multiple units** of the course.

Samples of Evidence

1. The following big ideas are developed throughout the course: economic measurements, markets, macroeconomic models, and macroeconomic policies.

2. Big Ideas:

- Economic Measurements
- Markets
- Macroeconomic Models
- Macroeconomic Policies

One big idea in macroeconomics is the role of macroeconomic policies. Students learn about policy options and implementation in Units 3–5 through the following activities:

- Unit 3—Based on a description of a country’s economic conditions, students propose one or more fiscal policy actions that would help to correct an output gap.
- Unit 4—Students assess whether a proposed monetary policy action would be appropriate, given certain economic conditions for a country.
- Unit 5—Students participate in a small-group brainstorming activity to identify policies that contribute to long-run economic growth, and they compare and contrast these policies with short-run stabilization policies.

3. AP Macroeconomics Big Ideas: Economic Measurements (MEA), Markets (MKT), Macroeconomic Models (MOD), Macroeconomic Policies (POL).

MKT (Markets): A standard market experiment activity in which students act as buyers and sellers is used to introduce the supply and demand model in Unit 1. In Unit 4, the same activity is adapted so that students interact as buyers and sellers in a market for loanable funds rather than a product market. This helps students review the basic supply and demand model and understand the similarities between the loanable funds market and a product market. The foreign exchange market is presented in Unit 6 and the market activity is repeated with students buying and selling foreign currency. The activity also emphasizes that the buyer of one currency is the seller of another.

Curricular Requirement 3

The course provides opportunities to develop student understanding of the required content outlined in each of the units described in the AP Course and Exam Description (CED).

Required Evidence

- The syllabus must include an outline of course content by unit and topic using any organizational approach that demonstrates the inclusion of **all** required course topics listed in the Curriculum Framework of the *AP Macroeconomics Course and Exam Description* (CED). Each unit should be aligned with the course's required textbook.

Note: If the syllabus follows the unit and topic structure provided in the CED, the syllabus must specify the alignment of each unit with the course's required text(s).

Samples of Evidence

1. The course is structured following the unit and topic structure provided in the CED. The chapters from the course text—Made-up-author's *Principles of Macroeconomics*—are included in the outline below.

Unit 1: Basic Economic Concepts (Made-up-author's *Principles of Macroeconomics*, Ch. 1–2)

- Scarcity
- Opportunity Cost and the Production Possibilities Curve (PPC)
- Comparative Advantage and Gains from Trade
- Demand
- Supply
- Market Equilibrium, Disequilibrium, and Changes in Equilibrium

Unit 2: Economic Indicators and the Business Cycle (Made-up-author's *Principles of Macroeconomics*, Ch. 3–4)

- The Circular Flow and GDP
- Limitations of GDP
- Unemployment
- Price Indices and Inflation
- Costs of Inflation
- Real v. Nominal GDP
- Business Cycles

Unit 3: National Income and Price Determination (Made-up-author's *Principles of Macroeconomics*, Ch. 5–6)

- Aggregate Demand (AD)
- Multipliers
- Short-Run Aggregate Supply (SRAS)
- Long-Run Aggregate Supply (LRAS)
- Equilibrium in the Aggregate Demand-Aggregate Supply (AD-AS) Model
- Changes in the AD-AS Model in the Short Run
- Long-Run Self-Adjustment
- Fiscal Policy
- Automatic Stabilizers

Unit 4: Financial Sector (Made-up-author's *Principles of Macroeconomics*, Ch. 7–8)

- Financial Assets
- Nominal v. Real Interest Rates
- Definition, Measurement, and Functions of Money
- Banking and the Expansion of the Money Supply
- The Money Market
- Monetary Policy
- The Loanable Funds Market

Unit 5: Long-Run Consequences of Stabilization Policies (Made-up-author's *Principles of Macroeconomics*, Ch. 9)

- Fiscal and Monetary Policy Actions in the Short Run
- The Phillips Curve
- Money Growth and Inflation
- Government Deficits and the National Debt
- Crowding Out
- Economic Growth
- Public Policy and Economic Growth

Unit 6: Open Economy—International Trade and Finance (Made-up-author's *Principles of Macroeconomics*, Ch. 10)

- Balance of Payments Accounts
- Exchange Rates
- The Foreign Exchange Market
- Effect of Changes in Policies and Economic Conditions on the Foreign Exchange Market
- Changes in the Foreign Exchange Market and Net Exports
- Real Interest Rates and International Capital Flows

2. Unit 1 – Basic Economic Concepts and PPC

(*Macroeconomics*, Section 1)

- The study of economics
- Introduction to macroeconomics
- The PPC model
- Comparative advantage and trade

Unit 2 – Supply and Demand

(*Macroeconomics*, Section 2)

- Supply and demand introduction
- Demand
- Supply
- Equilibrium
- Price controls

Unit 3 – Macroeconomic Measures

(*Macroeconomics*, Section 3)

- Circular flow and GDP
- Real GDP
- Unemployment
- Inflation

Unit 4 – National Income and Price Determination

(*Macroeconomics*, Section 4)

- Income and expenditure
- Aggregate demand
- Aggregate supply
- Equilibrium
- Economic policy and AS–AD
- Fiscal policy and the multiplier

Unit 5 – The Financial Sector

(*Macroeconomics*, Section 5)

- Saving, investment, and the financial sector
- Definition and measurement of money
- Banking and money creation
- The Federal Reserve System
- Central banks and monetary policy
- The money market
- The market for loanable funds

Unit 6 – Stabilization Policies and the Long Run

(*Macroeconomics*, Section 6)

- Deficits and the public debt
- Monetary policy and the interest rate
- Money, output, and prices in the long run
- Types of inflation, disinflation, and deflation
- The Phillips curve
- Macroeconomic policy

Unit 7 – Long-run Economic Growth

(*Macroeconomics*, Section 7)

- Long-run economic growth
- Productivity and growth
- Growth policy
- Economic growth in macroeconomic models

Section 8 – International Trade and Finance

(*Macroeconomics*, Section 8)

- Capital flows and balance of payments
- The foreign exchange market
- Exchange rate policy
- Barriers to trade

3. Unit 1: Basic Economic Concepts (*Economics for AP*, Modules 1, 3–7)

- Scarcity
- Opportunity Cost
- The Production Possibilities Curve (PPC) Model
- Absolute and Comparative Advantage
- Gains from Trade

- Demand
- Supply
- Market Equilibrium, Disequilibrium, and Changes in Equilibrium

Unit 2: Economic Indicators (*Economics for AP*, Modules 2, 10–15)

- The Circular Flow
- GDP and its Limitations
- Nominal and Real GDP
- Unemployment
- Price Indices
- Measurement and Costs of Inflation

Unit 3: Models of the Aggregate Economy and the Business Cycle (*Economics for AP*, Modules 16–19, 34)

- Business Cycles
- Aggregate Demand (AD)
- Spending Multiplier
- Short-Run Aggregate Supply (SRAS)
- Long-Run Aggregate Supply (LRAS)
- Equilibrium in the Aggregate Demand–Aggregate Supply (AD–AS) Model
- Changes in the AD–AS Model in the Short Run
- Long-Run Self-Adjustment Process
- Short-Run and Long-Run Phillips Curves

Unit 4: The Financial Sector (*Economics for AP*, Modules 22–25, 28)

- Financial Assets
- Definition, Measurement, and Functions of Money
- Banking and the Expansion of the Money Supply
- The Money Market

Unit 5: Stabilization Policies (*Economics for AP*, Modules 20, 21, 26, 27, 31)

- Fiscal Policy
- Tax Multiplier
- Balanced Budget Multiplier
- Automatic Stabilizers
- Monetary Policy
- Money Multiplier
- Fiscal and Monetary Policy Actions in the Short Run

Unit 6: Economic Growth and Long-Run Consequences of Stabilization Policies (*Economics for AP*, Modules 29, 30, 32, 33, 35–40)

- The Loanable Funds Market
- Nominal and Real Interest Rates
- Government Deficits, the National Debt, and Crowding Out
- Money Growth and Inflation
- Economic Growth Models and Policies

Unit 7: Open Economy—International Trade and Capital Flows (*Economics for AP*, Modules 41–44)

- Balance of Payments Accounts
- The Foreign Exchange Market
- Exchange Rates
- Changes in the Foreign Exchange Market and Net Exports
- Real Interest Rates and International Capital Flows
- Exchange Rate Policies
- Barriers to Trade

Curricular Requirement 4

The course provides opportunities for students to develop the skills in Skill Category 1: Principles and Models, as outlined in the AP Course and Exam Description (CED).

Required Evidence

- The syllabus must provide a **brief description** of one or more instructional approaches (e.g., activity or assignment) describing how students will engage with one skill (either skill 1.A, 1.B, 1.C, or 1.D) in Skill Category 1.
- Instructional approaches must explicitly label which skill(s) they address.

Samples of Evidence

1. Unit 1: Simulation and Debriefing Activity

The class is divided into groups of four or five students. Each group is given an envelope with different “resources” (e.g., different colored paper, scissors, ruler, glue). Students are instructed to produce a list of different items using their resources (e.g., a 4-inch strip of red paper). No groups have sufficient resources to produce all of the items. During the debriefing, students describe relevant concepts that came up during the simulation including scarcity, trade, and comparative advantage. **(Skill 1.A)**

2. **Skill: 1.B.** Instructional Strategy: Real-World Examples

Students work with partners to come up with a list of real-world examples of transactions that would be classified in each component of GDP.

3. Topic 2.3 – Unemployment Students will:

- Describe the three types of unemployment – cyclical, frictional, and structural – in an exit ticket. **(Skill 1.A)**
- Identify examples of frictional, cyclical, and structural unemployment from a local newspaper article in which recent conditions and changes in local labor are discussed. **(Skill 1.B)**
- Calculate the unemployment and labor force participation rates using a table of both relevant and irrelevant data. **(Skill 1.C)**
- Describe the limitations of the unemployment rate in conversation with a partner. **(Skill 1.D)**

Curricular Requirement 5

The course provides opportunities for students to develop the skills in Skill Category 2: Interpretation, as outlined in the AP Course and Exam Description (CED).

Required Evidence

- The syllabus must provide a **brief description** of one or more instructional approaches (e.g., activity or assignment) describing how students will engage with one skill (either skill 2.A, 2.B, or 2.C) in Skill Category 2.
- Instructional approaches must explicitly label which skill(s) they address.

Samples of Evidence

1. Students are given a list of price changes in different markets and are asked to brainstorm what might have caused each change. Think-pair-share is used to help the class determine its best prediction as to the cause(s) of the change. The causes are linked to the determinants of demand and supply. **(Skills 2.A, 2.B)**
2. Students work in groups to identify multiple policies governments can adopt in order to promote economic growth and identifies the activity as focusing on **Skill 2.B**.
3. **Skill 2.C:** Students do a homework assignment in which they determine who has the comparative advantage and create mutually beneficial terms of trade between the two parties from given tables of data.

Curricular Requirement 6

The course provides opportunities for students to develop the skills in Skill Category 3: Manipulation, as outlined in the AP Course and Exam Description (CED).

Required Evidence

- The syllabus must provide a **brief description** of one or more instructional approaches (e.g., activity or assignment) describing how students will engage with one skill (either skill 3.A, 3.B, or 3.C) in Skill Category 3.
- Instructional approaches must explicitly label which skill(s) they address.

Samples of Evidence

1. **Skill: 3.A.** Formative assessment strategy: Hand signals
The teacher reads out a series of scenarios that would increase aggregate demand, decrease aggregate demand, or have no effect on aggregate demand. After reading each statement, students are asked to raise their right hand if the action would shift the aggregate demand curve to the right, to raise their left hand if the action would shift the aggregate demand curve to the left, and to keep their hands down if the change would not shift the aggregate demand curve.
2. Students practice explaining the effect of a change in a country's real interest rate on capital flows, exchange rates, net exports, and the balance of payments accounts. They do this in groups and individually, and they practice explaining orally and in writing. (**Skill 3.B**)
3. **Skill 3.C:** Students are presented with a hypothetical consolidated balance sheet for the 12 Federal Reserve Banks. They are also provided with different scenarios in which the Federal Reserve Banks buy or sell specified amounts of securities to commercial banks and to the public. The students are then asked to determine the new balance sheet for each scenario.

Curricular Requirement 7

The course provides opportunities for students to develop the skills in Skill Category 4: Graphing and Visuals, as outlined in the AP Course and Exam Description (CED).

Required Evidence

- The syllabus must provide a **brief description** of one or more instructional approaches (e.g., activity or assignment) describing how students will engage with one skill (either skill 4.A, 4.B, or 4.C) in Skill Category 4.
- Instructional approaches must explicitly label which skill(s) they address.

Samples of Evidence

1. **Skill 4.A:** Students draw a visual of the simple circular flow model and then use it as the basis for explaining the interaction between households and business firms in the product and resource markets.
2. After each model is introduced in class, students create a one-page study sheet that shows a correctly labeled graph or other visual associated with the model. The study sheet also includes graphs illustrating specific concepts or scenarios that can be represented using the model, including graphs that demonstrate the effects of changes. (**Skills 4.A, 4.B, 4.C**)
3. **Skill 4.C:** Students are presented with data for a fictional economy that changes from being self-sufficient to engaging in international trade on the basis of comparative advantage. They then construct a graph illustrating how the country's production possibilities curve changes.