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# AP<sup>®</sup> Macroeconomics

## Sample Student Responses and Scoring Commentary Set 2

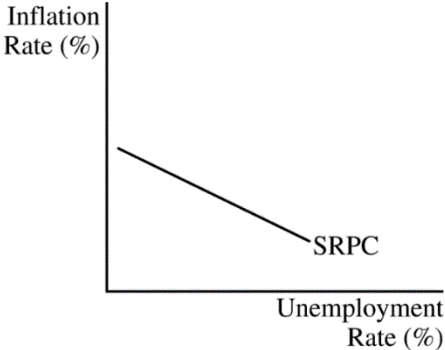
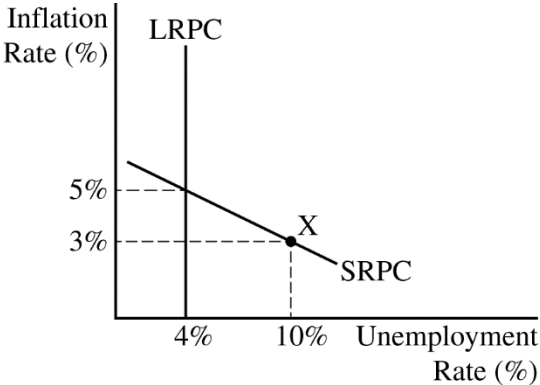
### **Inside:**

#### **Free-Response Question 1**

- ☒ **Scoring Guidelines**
- ☒ **Student Samples**
- ☒ **Scoring Commentary**

Question 1: Long

10 points

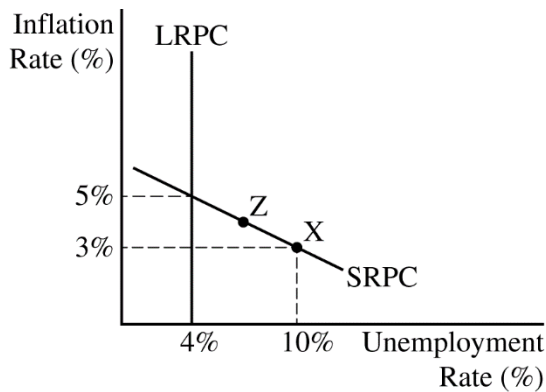
<b>A</b> Point 1	State that the actual unemployment rate is 10%.	<b>1 point</b>
<b>B</b> Point 2	Draw a correctly labeled graph of the short-run Phillips curve (SRPC).	<b>1 point</b>
		
Point 3	The graph must include a vertical long-run Phillips curve (LRPC) at the natural rate of unemployment (4%), the expected inflation rate (5%) at the intersection of the SRPC and the LRPC, and a point labeled X on the SRPC to the right of the LRPC at the actual unemployment rate (10%) and the actual inflation rate (3%).	<b>1 point</b>
		
<b>C</b> Point 4	State an increase in government spending, a decrease in taxes, or an increase in transfer payments.	<b>1 point</b>

**D (i)** State that the government budget will move into deficit and explain that government outlays exceed revenue. **1 point**

Point 5

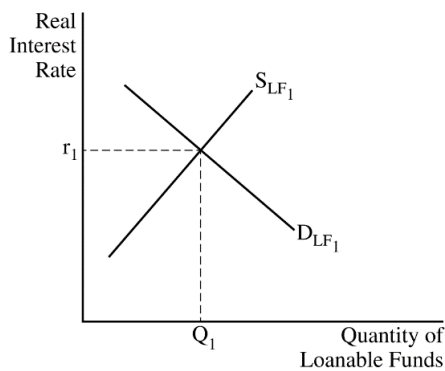
**(ii)** On the graph from part B, show a point labeled Z on the SRPC to the left of point X. **1 point**

Point 6

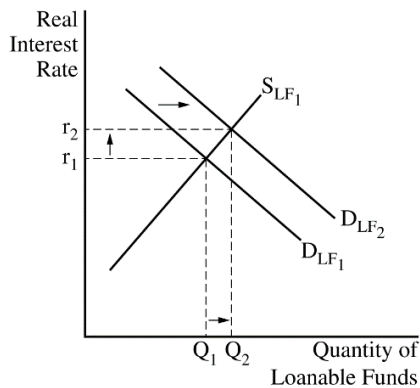


**(iii)** Draw a correctly labeled graph of the loanable funds market. **1 point**

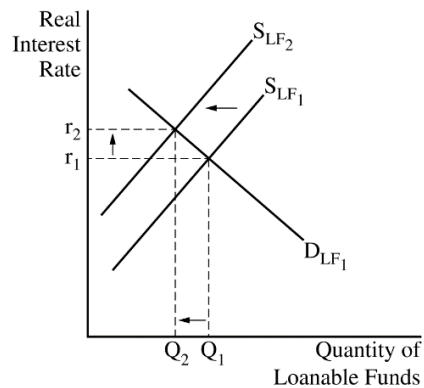
Point 7



**Point 8** The graph must show an increase in the demand for loanable funds (or a decrease in the supply of loanable funds), resulting in an increase in the equilibrium real interest rate. **1 point**



OR



**E** State that Barrikos' capital and financial account (CFA) will move into surplus and explain that international investors will seek higher returns on financial capital in Barrikos, which will increase financial capital inflows into Barrikos. **1 point**

Point 9

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<b>F</b>	State that Barrikos' currency will appreciate and explain that demand for the currency	<b>1 point</b>
Point 10	will increase (or the supply of the currency will decrease).	

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# Question 1 Sample A page 1 of 2

**Important:** Completely fill in the circle that corresponds to the question you are answering on this page.

Question 1

Question 2

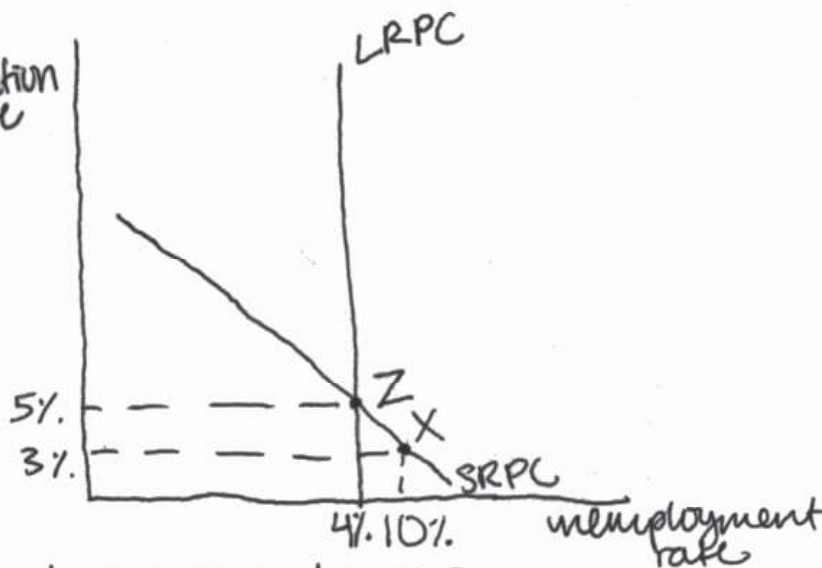
Question 3

Begin your response to each question at the top of a new page.

a) 10%.

b)

inflation rate

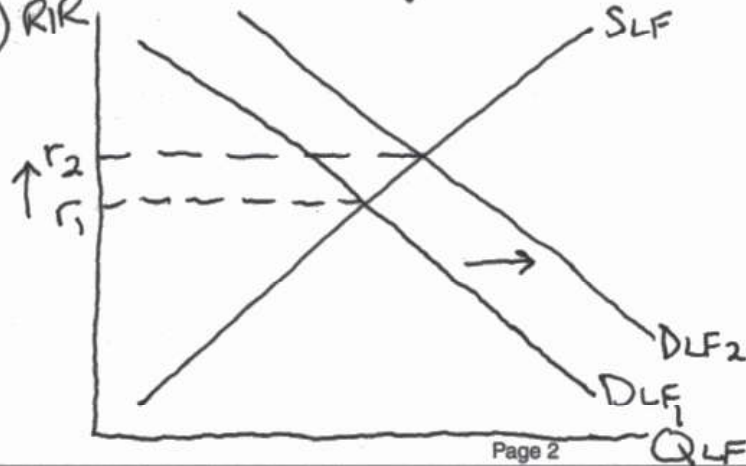


c) decrease taxes

d)

i) The government budget will move into deficit. With tax cuts, the government will collect less revenue, and, assuming spending remains unchanged, this means the gov. will be spending more than it makes, moving into a deficit.

iii) RIR



Page 2

Use a pencil or pen with black or dark blue ink. Do NOT write your name. Do NOT write outside the box.

● **Important:** Completely fill in the circle that corresponds to the question you are answering on this page.

Question 1

Question 2

Question 3

● ☒ ☐ ☐

Begin your response to each question at the top of a new page.

e) The CFA will move into surplus. As interest rates increase in Barrikos, more foreign investors will be attracted to investing in the country. With the increased capital inflow, Barrikos's CFA will move into surplus.

f) Barrikos' currency will appreciate. Since more people want to invest in Barrikos, the demand for Barrikos' currency increases. As demand shifts right, the exchange rate increases, causing Barrikos' currency to appreciate.

Page 3

Use a pencil or pen with black or dark blue ink. Do NOT write your name. Do NOT write outside the box.

**Important:** Completely fill in the circle that corresponds to the question you are answering on this page.

Question 1

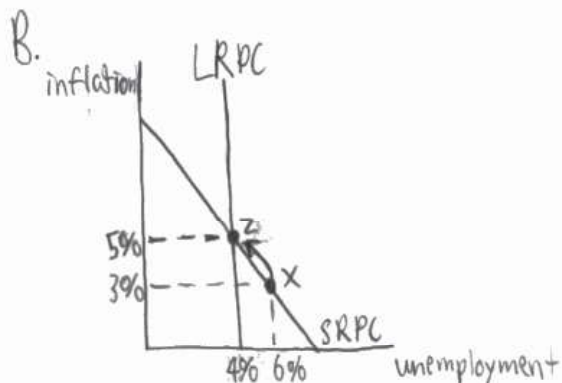
Question 2

Question 3



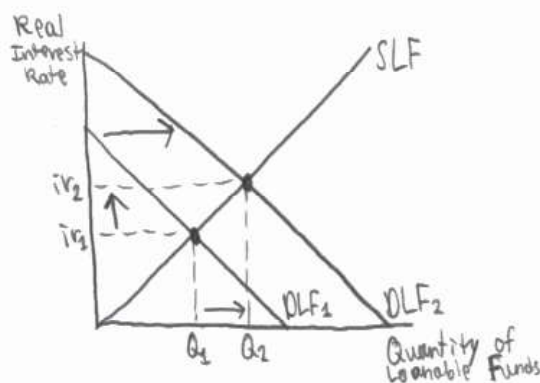
Begin your response to each question at the top of a new page.

A. The actual unemployment rate is 7%.



C. Borrikos can increase government spending to move the economy towards long-run equilibrium.

D. The government budget will move into deficit as they will be spending while in a recession.



Page 2

Use a pencil or pen with black or dark blue ink. Do NOT write your name. Do NOT write outside the box.

**Important:** Completely fill in the circle that corresponds to the question you are answering on this page.

Question 1

Question 2

Question 3

Begin your response to each question at the top of a new page.

E. Barrikos' capital and financial account balance will move into surplus as when the real interest rate increases, the CFA will grow.

F. Barrikos' currency will appreciate as when the CFA moves into surplus, the country's currency gains international value.

Page 3

Use a pencil or pen with black or dark blue ink. Do NOT write your name. Do NOT write outside the box.

**Important:** Completely fill in the circle that corresponds to the question you are answering on this page.

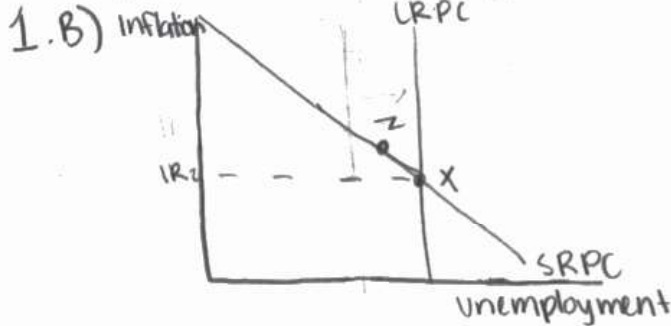
Question 1

Question 2

Question 3

Begin your response to each question at the top of a new page.

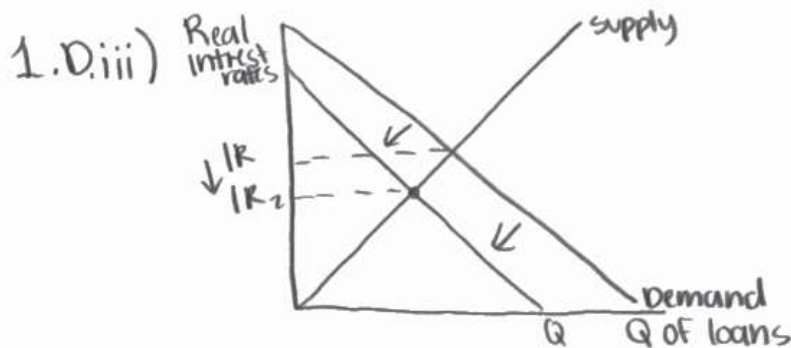
1.A) The numerical value of the actual unemployment rate in Barrikos is 0.4 or 4%.



1.C) The government of Barrikos can buy bonds to move the economy forward long-run equilibrium.

1.D.i) The government budget will move into a deficit because the consumption is higher than how much they actually have.

1.D.ii) Drawn on graph



1.E.) The Barriko's capital and financial account balance will remain the same because it will have no affect on the balance payments.

**Important:** Completely fill in the circle that corresponds to the question you are answering on this page.

Question 1

Question 2

Question 3



Begin your response to each question at the top of a new page.

1.F) The international value of Barriko's currency will increase to foreign countries because the currency is being appreciated.

Page 3

Use a pencil or pen with black or dark blue ink. Do NOT write your name. Do NOT write outside the box.

## Question 1

**Note:** Student samples are quoted verbatim and may contain spelling and grammatical errors.

### Overview

**NEW for 2025:** The question overviews can be found in the *Chief Reader Report on Student Responses on AP Central*.

### Sample: 1A

**Score: 10**

Part A: The response earned point 1 for stating that the actual unemployment rate is 10%.

Part B: The response earned point 2 for drawing a correctly labeled graph of the short-run Phillips curve (SRPC). The response earned point 3 for drawing a vertical long-run Phillips curve (LRPC) at the natural rate of unemployment (4%), the expected inflation rate (5%) at the intersection of the SRPC and the LRPC, and a point labeled X on the SRPC to the right of the LRPC at the actual unemployment rate (10%) and the actual inflation rate (3%).

Part C: The response earned point 4 for stating that the government can “decrease taxes.”

Part D: The response earned point 5 in part D (i) for stating that the budget will move toward deficit and explaining that “the government will collect less revenue, and, assuming spending remains unchanged, this means the gov. will be spending more than it makes.” The response earned point 6 in part D (ii) for showing point Z on the SRPC to the left of point X. The response earned point 7 in part D (iii) for drawing a correctly labeled graph of the loanable funds market. The response earned point 8 in part D (iii) for correctly showing an increase in the demand for loanable funds and showing an increase in the equilibrium real interest rate.

Part E: The response earned point 9 for stating that Barrikos’ capital and financial account balance will move toward surplus and explaining that “[a]s interest rates increase in Barrikos, more foreign investors will be attracted to investing in the country. With the increased capital inflow, Barrikos’s CFA will move into surplus.”

Part F: The response earned point 10 for stating that “Barrikos’ currency will appreciate” and explaining that demand for the currency will increase.

### Sample: 1B

**Score: 5**

Part A: The response did not earn point 1 because it states that the actual unemployment rate is 7%.

Part B: The response earned point 2 for drawing a correctly labeled graph of the short-run Phillips curve (SRPC). The response did not earn point 3 because it does not identify the actual rate of unemployment.

Part C: The response earned point 4 for stating that the government “can increase government spending.”

**Question 1 (continued)**

Part D: The response did not earn point 5 in part D (i) because it does not explain that government outlays exceed tax revenue. The response earned point 6 in part D (ii) for showing point Z on the SRPC to the left of point X. The response earned point 7 in part D (iii) for drawing a correctly labeled graph of the loanable funds market. The response earned point 8 in part D (iii) for correctly shifting demand to the right and showing an increase in the equilibrium real interest rate.

Part E: The response did not earn point 9 because it does not explain that international investors will seek higher returns on financial capital in Barrikos, causing an increase in capital inflows.

Part F: The response did not earn point 10 because it does not explain that demand for the currency will increase (or the supply of the currency will decrease).

**Sample: 1C****Score: 3**

Part A: The response did not earn point 1 because it states that the actual unemployment rate is 4%.

Part B: The response earned point 2 for drawing a correctly labeled graph of the short-run Phillips curve (SRPC). The response did not earn point 3 because it does not indicate the natural rate of unemployment (4%), the expected rate of inflation (5%) at the intersection of the SRPC and the LRPC, and a point labeled X on the SRPC to the right of the LRPC at the actual unemployment rate (10%) and the actual inflation rate (3%).

Part C: The response did not earn point 4 because it does not state an increase in government spending, a decrease in taxes, or an increase in transfer payments.

Part D: The response did not earn point 5 in part D (i) because it does not explain that government outlays exceed revenue. The response earned point 6 in part D (ii) for showing point Z on the SRPC to the left of point X. The response earned point 7 in part D (iii) for drawing a correctly labeled graph of the loanable funds market. The response did not earn point 8 in part D (iii) because it does not correctly show an increase in the demand for loanable funds (or a decrease in the supply of loanable funds) and show an increase in the equilibrium real interest rate.

Part E: The response did not earn point 9 because it does not state that Barrikos' capital and financial account balance will move toward surplus and explain that international investors will seek higher returns on assets, causing an increase in capital inflows.

Part F: The response did not earn point 10 because it does not explain that demand for the currency will increase (or the supply of the currency will decrease).