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# AP<sup>®</sup> Macroeconomics

## Sample Student Responses and Scoring Commentary Set 2

### **Inside:**

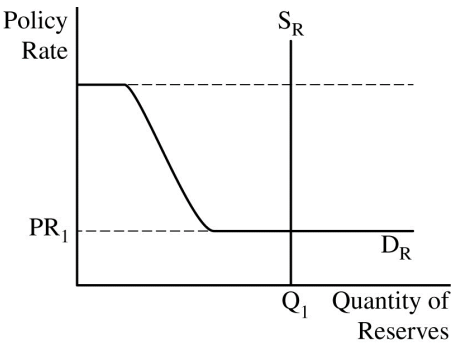
#### **Free-Response Question 2**

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

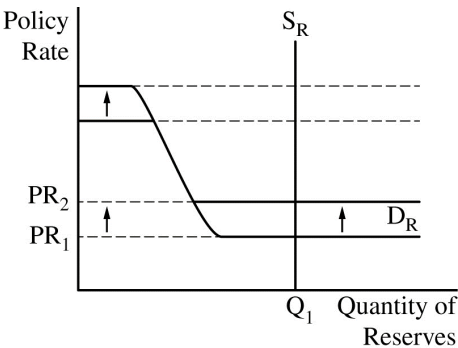
Question 2: Short

5 points

- |         |  |         |
|---------|--|---------|
| A       | State that the central bank would increase its administered interest rates or increase interest on reserves.                             | 1 point |
| Point 1 |  |         |
| B       | Draw a correctly labeled graph of the reserve market with the supply curve intersecting the demand curve in the range of ample reserves. | 1 point |
| Point 2 |  |         |

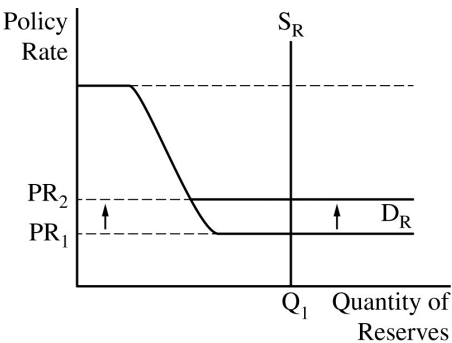


- |         |  |         |
|---------|--|---------|
| Point 3 | The graph must show an increase in the administered interest rates, resulting in an increase in the policy rate. | 1 point |
|---------|--|---------|



OR

The graph must show an increase in the lower bound of the demand curve for reserves, resulting in an increase in the policy rate.



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<b>C</b>	<b>(i)</b>	State that the price of previously issued bonds will decrease.	<b>1 point</b>
Point 4			
	<b>(ii)</b>	State that the price level will decrease and explain that the increase in interest rates will decrease interest-sensitive spending (consumption, investment, or net exports), which will decrease aggregate demand.	<b>1 point</b>
Point 5			

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

Question 1



Question 2



Question 3

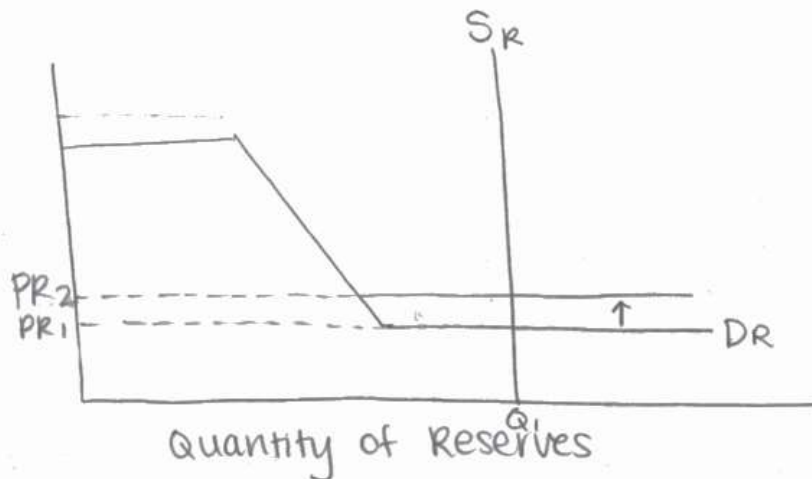


Begin your response to each question at the top of a new page.

A) They could increase the interest rates on reserves.

B)

Policy Rate



C) i) The price of previously issued bonds will decrease.

ii) The price level will decrease because the increase in policy rate causes investment spending to decrease which then leads to a decrease in demand. A leftward shift of the aggregate demand curve would cause price level to decrease.

Page 4

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

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

Question 1



Question 2

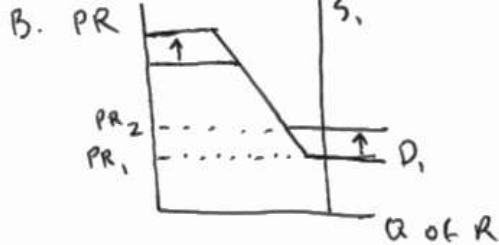


Question 3



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

A. A specific Monetary policy would be to increase administered rates



Ci. Decrease

Cii. Increase because the SRAS would have shifted ~~to~~ left toward the LRAS long price level to move and reach equilibrium.

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



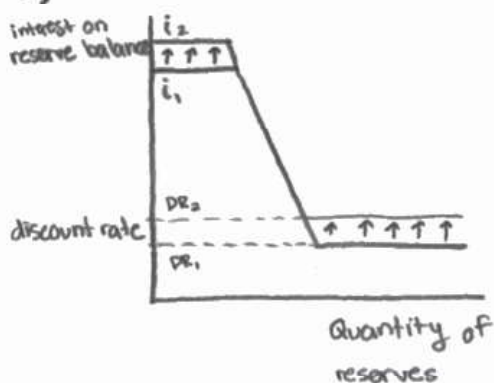
Question 3



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

A) the banking system of Jenland could increase the interest on reserve balance rate to return the economy to full employment in the short run.

B)



as a result of the increased interest rate on reserve balance, the policy rate for Jenland would increase.

- c) i) the price of previously issued bonds would increase.  
 ii) the price level would decrease, the higher interest rate is a contractionary monetary policy which will cause the price level to decrease.

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

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## Question 2

**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: 2A

#### Score: 5

Part A: The response earned point 1 for correctly stating that Jenland “could increase the interest rates on reserves.”

Part B: The response earned point 2 for drawing a correctly labeled graph of the reserve market, with the supply curve intersecting the demand curve in the range of ample reserves. The response earned point 3 for showing an increase in the lower bound of the demand curve, resulting in an increase in the policy rate.

Part C: The response earned point 4 in part C (i) for correctly stating that the “price of previously issued bonds will decrease.” The response earned point 5 in part C (ii) for correctly stating that the “price level will decrease” and explaining that the higher policy rate will lead to a decrease in investment, which will decrease aggregate demand.

### Sample: 2B

#### Score: 4

Part A: The response earned point 1 for correctly stating that Jenland could “increase administered rates.”

Part B: The response earned point 2 for drawing a correctly labeled graph of the reserve market, with the supply curve intersecting the demand curve in the range of ample reserves. The response earned point 3 for showing an increase in the administered interest rates, resulting in an increase in the policy rate.

Part C: The response earned point 4 in part C (i) for correctly stating that the price of previously issued bonds would decrease. The response did not earn point 5 in part C (ii) because it incorrectly states that the price level will increase.

**Question 2 (continued)****Sample: 2C****Score: 1**

Part A: The response earned point 1 for stating that Jenland could increase “the interest on reserve balance rate.”

Part B: The response did not earn point 2 because it does not draw a correctly labeled graph of the reserve market. The response did not earn point 3 because it does not show an increase in the administered interest rate resulting in an increase in the equilibrium policy rate, where demand intersects with supply.

Part C: The response did not earn point 4 because it states that the “price of previously issued bonds would increase.” The response did not earn point 5 because it does not explain that the price level would decrease due to a decrease in interest-sensitive spending, which will decrease aggregate demand.