

AP Microeconomics Summer Assignment

This assignment will be due the second day of class and must be handwritten. Please contact me with any questions. Joshua.anderson2@knoxschools.org

Part 1: Using the AP Microeconomics textbook found at <https://openstax.org/details/books/principles-microeconomics-ap-courses-2e> read chapter 1 and 2 and define the following terms

Economics	Comparative advantage	Opportunity Cost
Scarcity	Traditional Economy	Utility
Specialization	Command Economy	Law of Diminishing Marginal Utility
Circular Flow Diagram	Market Economy	Production Possibilities Frontier
Market	Mixed Economy	Allocative Efficiency
Sunk Costs	Marginal Analysis	Productive Efficiency

Part 2:

1. Suppose it takes you 17 minutes in the morning to shower and groom, 10 minutes to get dressed, and 13 minutes to eat breakfast.
 - a. What is your opportunity cost of showering and grooming?
 - b. What is your opportunity cost of eating breakfast?
 - c. What is your opportunity cost of waking up an hour late?

2. Every day, you play video games for 3 hours and your grade on each English test is an 80%. Yesterday, after finishing your 3rd hour of playing video games you decide to play for another hour and cut your study time by one hour. Today, your English grade fell to 70%.
 - a. What was your opportunity cost of the 4th hour of video games?
 - b. Given that you played the 4th hour, what can you conclude about your marginal benefit and marginal cost of the 3rd hour of video games?

3. Use the production possibilities table for cars and corn to answer the following:

Types of Production	Production Alternative				
	A	B	C	D	E
Robots	0	250	450	650	850
Wheat	130	117	109	89	0

- a. Draw a production possibilities curve for robots and wheat using the data above.
- b. Label a point where the economy would be underutilized/inefficient (X) and unattainable/impossible (Y).
- c. What is the opportunity cost of moving from point A to point B?
- d. What is the opportunity cost of moving from point B to point C?
- e. What is the opportunity cost of moving from point D to point E?

Part 3:

1. For this assignment, you will visit www.acdcecon.com and click on "Microeconomics Videos."
2. From there, you should watch all of the "Unit 1: Basic Concepts" videos on the following topics:
 - a. Scarcity, Tradeoffs, and Opportunity Cost; Free Market vs. Command Economies; Microeconomics vs. Macroeconomics; Production Possibilities Curve; Law of Increasing Opportunities Costs; Shifters of the PPC; Circular Flow Model; Absolute and Comparative Advantage; Comparative Advantage Practice.

* These videos will be an awesome supplement to the information you are reading, and you may want to complete watching them before trying the problems in **Part 2** as they may help clarify questions you may have on the different topics.

Part 4:

The goal of this assignment is to help you start to think like an economist. Start paying attention to any story that has an economic angle to it.

1. Familiarize yourself with the Six Principles of Economics.
http://weaversweb.brps.org/uploads/8/9/7/0/8970499/handy_dandy_guide.pdf
2. Find podcasts of your choosing from NPR at <https://www.npr.org/sections/money/>. Read articles relevant to economic topics. Suggested sources: Atlantic, New Yorker, Wall Street Journal, Economist, Forbes, Business Week
3. For **three** podcasts or articles complete the following:
 - a. Title of Podcast, Date of Podcast/Article
 - b. MLA Citation for Podcast/Article
 - c. Summary of the Podcast
 - i. Think: What is the main idea? Who is the audience?
 - d. ½ page explanation of how the Podcast/Article illustrates at least three economic terms or principles as well as how it connects to your life
 - i. Think: How does this illustrate economic choices and decisions? How might the information help or hurt your economic future or affect your own consumer choices?