



Course Description: AP Microeconomics

AP Microeconomics is an introductory college-level course that focuses on the principles of economics that apply to the functions of individual economic decision-makers. The course also develops students' familiarity with the operation of product and factor markets, distributions of income, market failure, and the role of government in promoting greater efficiency and equity in the economy. Students learn to use graphs, charts, and data to analyze, describe, and explain economic concepts.

PREREQUISITE There are no prerequisites for AP Microeconomics. Students should be able to read a college-level textbook and should possess basic mathematics and graphing skills.

The AP Microeconomics course provides students with an understanding of the principles of economics as they apply to individual decision-making units, including individual households and firms. The course examines the theory of consumer behavior, the theory of the firm, and the behavior of profit-maximizing firms under various market structures. Students evaluate the efficiency of the outcomes with respect to price, output, consumer surplus, and producer surplus. They examine the behaviors of households and businesses in factor markets, and learn how the determination of factor prices, wages, interest, and rent influence the distribution of income in a market economy. There are ample opportunities to consider instances in which private markets may fail to allocate resources efficiently and examine various public policy alternatives aimed at improving the efficiency of private markets.

Topic Outline for AP Microeconomics

- I. Basic Economic Concepts
- II. The Nature and Functions of Product Markets
 - a. Supply and demand
 - b. Theory of consumer choice
 - c. Production and costs
 - d. Firm behavior and market structure
- III. Factor Markets
 - a. Derived Factor Demand
 - b. Marginal revenue product
 - c. Hiring decisions in the markets for labor and capital
 - d. Market distribution of income
- IV. Market Failure and the Role of Government
 - a. Externalities
 - b. Public goods
 - c. Public policy to promote competition
 - d. Income distribution

High Bluff Academy is accredited by the Western Association of Schools and Colleges (WASC). The above course is approved by the University of California system (A-G) and the National Collegiate Athletic Association (NCAA).