AP MACROECONOMICS

Course Syllabus

Academic Year 2026–2027

Teacher	School	Contact	Meeting Days
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This syllabus is designed for submission to the College Board AP Course Audit. It demonstrates that each of the seven Curricular Requirements for AP Macroeconomics is addressed through specific course materials, activities, and assessments. Curricular Requirement labels appear in brackets throughout — e.g., [CR4] — alongside the AP Macroeconomics skill codes (1.A, 2.B, 3.C, 4.A, etc.) defined in the Course and Exam Description.

Curricular Requirements Checklist

The seven Curricular Requirements defined by the College Board are satisfied as indicated below. Page references point to the first major instance where each requirement is addressed; the requirement is reinforced throughout the course.

Code	Requirement	Addressed In
CR1	Students and teacher have access to a college-level macroeconomics textbook.	Required Materials
CR2	Opportunities to develop student understanding of the big ideas: MEA, MKT, MOD, POL.	Course Organization; Every unit
CR3	Opportunities to develop student understanding of the required content in each CED unit.	Units 1–6
CR4	Skill Category 1: Principles and Models — define and apply economic principles and models.	Units 1, 2, 3, 5
CR5	Skill Category 2: Interpretation — interpret results from given information.	Units 2, 3, 4, 6
CR6	Skill Category 3: Manipulation — solve problems and determine outcomes.	Units 3, 4, 5
CR7	Skill Category 4: Graphing and Visuals — create, read, and modify graphs and models.	Units 1, 3, 4, 5, 6

Course Overview

AP Macroeconomics is a full-year introductory college-level course that studies the principles of economics as they apply to an economic system as a whole. The course places particular emphasis on national income and price determination, economic performance measures, the financial sector, stabilization policies, economic growth, and international economics. Students learn to use graphs, charts, and data to analyze, describe, and explain economic concepts, and to apply economic models to real-world situations.

The course prepares students for the AP Macroeconomics Exam and for subsequent college coursework in economics, public policy, business, and related fields. It presumes no prior economics background but does expect proficiency with algebra and with the interpretation of graphs and quantitative data.

The Four Big Ideas [CR2]

The course is organized around four big ideas identified in the AP Macroeconomics Course and Exam Description. These ideas are developed continuously across all six units and inform every assessment.

- **Economic Measurements (MEA) —** How do economists measure the overall performance of an economy? Students learn to interpret GDP, unemployment, inflation, and related indicators.
- **Markets (MKT) —** How do markets allocate scarce resources and determine prices? Students apply supply-and-demand analysis to product, labor, money, and loanable-funds markets.
- **Macroeconomic Models (MOD) —** How do economists use models to analyze the economy? Students build fluency with the circular-flow model, the production possibilities curve, the AD-AS model, the money market, the loanable-funds market, and the Phillips curve.
- **Macroeconomic Policies (POL) —** How do fiscal and monetary policies affect the economy in the short and long run? Students evaluate the trade-offs, lags, and constraints associated with stabilization policy.

The Four Skill Categories [CR4, CR5, CR6, CR7]

Skill Category	What Students Do
1. Principles and Models [CR4]	Define economic principles and models; explain outcomes using established models.
2. Interpretation [CR5]	Interpret outcomes based on given information; explain effects of a change in a variable.
3. Manipulation [CR6]	Determine outcomes of specific economic situations; solve numerical problems using formulas and models.
4. Graphing and Visuals [CR7]	Create, modify, and interpret graphs, tables, and other visual representations of economic data and models.

Required Materials [CR1]

Every student has a college-level macroeconomics textbook in print or electronic format for individual use inside and outside the classroom. The textbook is supplemented with additional college-level resources to meet the curricular requirements.

Primary Textbook

- **Krugman, Paul, and Robin Wells.** *Macroeconomics*. 6th edition. New York: Worth Publishers, 2021. **[CR1]**

Supplementary Texts and Resources

- Morton, John S., and Rae Jean B. Goodman. Advanced Placement Economics: Teacher Resource Manual. 4th ed. New York: Council for Economic Education, 2018.
- Stone, Gerald. CoreEconomics. 5th ed. New York: Worth Publishers, 2020. (used for supplementary readings and practice problems)
- Federal Reserve Bank of St. Louis. FRED Economic Data (fred.stlouisfed.org) — students use this database throughout the year to retrieve and graph current U.S. macroeconomic data.
- U.S. Bureau of Economic Analysis and U.S. Bureau of Labor Statistics — primary sources for GDP, price-level, and labor-market data.
- AP Classroom (College Board) — Topic Questions and Personal Progress Checks for each unit.
- The Wall Street Journal and The Economist (selected articles distributed weekly for current-events application).

Course Outline and Unit Structure [CR3]

The course follows the six-unit structure of the current AP Macroeconomics Course and Exam Description. Each unit heading below lists the topics covered, the skill categories emphasized, and the exam-weighted importance of the unit.

Unit	Title	Exam Weight	Instructional Time
1	Basic Economic Concepts	5–10%	~3 weeks
2	Economic Indicators and the Business Cycle	12–17%	~4 weeks
3	National Income and Price Determination	17–27%	~6 weeks
4	Financial Sector	18–23%	~5 weeks
5	Long-Run Consequences of Stabilization Policies	20–30%	~5 weeks
6	Open Economy — International Trade and Finance	10–13%	~3 weeks

Unit 1 — Basic Economic Concepts [CR3]

Unit 1 introduces the foundational concepts and models students will apply throughout the course: scarcity, opportunity cost, trade-offs, comparative advantage, and market systems. Students build the production possibilities curve (PPC), the circular-flow model, and the supply-and-demand model — the graphical tools that anchor the rest of the course.

Topics

- 1.1 Scarcity
- 1.2 Resource Allocation and Economic Systems
- 1.3 The Production Possibilities Curve
- 1.4 Comparative Advantage and Gains from Trade
- 1.5 Cost-Benefit Analysis
- 1.6 Marginal Analysis and Consumer Choice
- 1.7 Market Equilibrium, Disequilibrium, and Changes in Equilibrium

Key Activities

PPC Construction and Shifts (Skill 4.A) [CR7] — Students are given a two-good production table and asked to plot the PPC, label bowed-out curves as indicating increasing opportunity cost, and shift the curve in response to changes in resources and technology. Students then create a written explanation of what each shift implies about economic growth.

Comparative Advantage Numerical Problem (Skill 3.B) [CR6] — Given input requirements for two countries producing two goods, students calculate opportunity costs, identify the country with comparative advantage in each good, determine the range of mutually beneficial terms of trade, and show gains from trade numerically.

Supply-and-Demand Model Application (Skill 1.B) [CR4] — Students are given five scenarios (an increase in input costs, a tax, a change in consumer income for a normal good, an improvement in production technology, a change

in the number of buyers) and must explain which curve shifts, the direction of the shift, and the resulting change in equilibrium price and quantity. Each answer requires a correctly labeled graph.

Unit 2 — Economic Indicators and the Business Cycle [CR3]

Unit 2 introduces the principal measurements of an economy's performance. Students calculate and interpret GDP, unemployment rates, and price indexes; distinguish nominal from real values; identify the phases of the business cycle; and use these measurements to assess the current state of an economy.

Topics

- 2.1 Circular Flow and GDP
- 2.2 Limitations of GDP
- 2.3 Unemployment
- 2.4 Price Indices and Inflation
- 2.5 Costs of Inflation
- 2.6 Real vs. Nominal GDP
- 2.7 Business Cycles

Key Activities

GDP Calculation Workshop (Skill 3.A) [CR6] — Students use both the expenditure and income approaches to compute GDP from a given dataset, then identify items that are deliberately excluded (intermediate goods, transfer payments, used-goods transactions, household production) and justify each exclusion.

FRED Data Interpretation (Skill 2.A) [CR5] — Students retrieve real GDP, the unemployment rate, and CPI inflation for the past twenty years from the Federal Reserve Economic Data (FRED) website, paste the data into a shared spreadsheet, generate line graphs, and write a one-page memo interpreting the business-cycle turning points visible in the data [CR7 — Graphing].

Price-Index Problem Set (Skill 3.A) [CR6] — Given a market basket of goods with quantities and prices for a base year and two subsequent years, students calculate the CPI for each year, compute the inflation rate, convert nominal to real values, and identify whether purchasing power rose or fell.

Labor-Force Calculation (Skill 3.C) [CR6] — From a stylized population table students compute the labor-force participation rate and unemployment rate, distinguish among frictional, structural, and cyclical unemployment, and explain why discouraged workers exiting the labor force cause the unemployment rate to fall even as employment conditions worsen.

Unit 3 — National Income and Price Determination [CR3]

Unit 3 develops the AD-AS model — the central analytical framework of the course. Students construct aggregate demand and short-run aggregate supply curves, identify equilibrium output and price level, use the model to analyze short-run fluctuations, and begin to evaluate fiscal policy's effects on the economy.

Topics

- 3.1 Aggregate Demand
- 3.2 Multipliers (Spending and Tax)

- 3.3 Short-Run Aggregate Supply
- 3.4 Long-Run Aggregate Supply
- 3.5 Equilibrium in the AD-AS Model
- 3.6 Changes in the AD-AS Model in the Short Run
- 3.7 Long-Run Self-Adjustment
- 3.8 Fiscal Policy
- 3.9 Automatic Stabilizers

Key Activities

AD-AS Graph Construction (Skill 4.B) [CR7] — Students construct a correctly labeled AD-AS graph showing short-run equilibrium below, at, and above full-employment output. Graphs must label axes (Real GDP, Price Level), all three curves (AD, SRAS, LRAS), equilibrium point, and the output gap.

Fiscal Policy Scenario Analysis (Skill 1.B) [CR4] — Working in small groups, students receive one of four opening scenarios (recessionary gap, inflationary gap, stagflation, full-employment equilibrium) and must recommend an appropriate fiscal-policy response, demonstrate the policy's effect on AD using a properly shifted curve, calculate the size of the required spending or tax change using the appropriate multiplier, and explain the political or timing constraints on their recommendation.

Multiplier Numerical Problem (Skill 3.B) [CR6] — Students calculate the spending multiplier and the tax multiplier given a marginal propensity to consume, then determine the change in equilibrium output produced by a specified increase in government spending and a specified tax cut. Students then interpret the results (Skill 2.C) [CR5].

Long-Run Self-Adjustment Activity (Skill 1.B and 4.B) [CR4, CR7] — Starting from a recessionary equilibrium, students draw the sequence of graphs showing how nominal wages eventually fall, how SRAS shifts right, and how the economy returns to long-run equilibrium — motivating the classical-Keynesian debate over whether policy intervention is necessary or whether the economy self-corrects.

Unit 4 — Financial Sector [CR3]

Unit 4 introduces financial assets, money, the money-creation process, and the Federal Reserve's conduct of monetary policy. Students build the money-market and loanable-funds models, distinguish them clearly, and use each to analyze monetary-policy transmission.

Topics

- 4.1 Financial Assets
- 4.2 Nominal vs. Real Interest Rates
- 4.3 Definition, Measurement, and Functions of Money
- 4.4 Banking and the Expansion of the Money Supply
- 4.5 The Money Market
- 4.6 Monetary Policy
- 4.7 The Loanable Funds Market

Key Activities

T-Account Money Creation Exercise (Skill 3.B) [CR6] — Using a specified required-reserve ratio, students trace a $1,000 open-market purchase through the banking system, filling in T-accounts for at least four successive rounds, calculating the total change in the money supply using the money multiplier, and explaining why the realized multiplier is typically smaller than the simple-multiplier maximum.

Money Market vs. Loanable Funds Market (Skill 4.A) [CR7] — Students are given the same policy scenario (the Federal Reserve increases the money supply) and must analyze it in two separate models: the money market (nominal interest rate determined by money supply and demand) and the loanable-funds market (real interest rate determined by savings and investment). Students must correctly label each graph with different axes and explain why the two models can yield different interest-rate outcomes under changing inflationary expectations.

Monetary-Policy Interpretation (Skill 2.B) [CR5] — Given a Federal Open Market Committee press release, students identify the current policy stance, predict effects on interest rates, investment, AD, output, and the price level, and draw the corresponding shifts on both the money-market and AD-AS graphs [CR7].

Unit 5 — Long-Run Consequences of Stabilization Policies [CR3]

Unit 5 combines fiscal and monetary policy to examine their long-run effects. Students use the Phillips curve to analyze the short-run trade-off between inflation and unemployment and its long-run vertical nature, consider the supply-side determinants of long-run economic growth, and evaluate the effects of deficits and public debt.

Topics

- 5.1 Fiscal and Monetary Policy Actions in the Short Run
- 5.2 The Phillips Curve
- 5.3 Money Growth and Inflation
- 5.4 Government Deficits and the National Debt
- 5.5 Crowding Out
- 5.6 Economic Growth
- 5.7 Public Policy and Economic Growth

Key Activities

Phillips Curve Construction and Shifts (Skill 4.B) [CR7] — Students plot short-run and long-run Phillips curves, then demonstrate how a supply shock shifts the short-run Phillips curve. Students connect the Phillips curve directly to the AD-AS model, drawing parallel graphs showing that a movement along the short-run Phillips curve corresponds to a shift in AD.

Crowding-Out Interpretation (Skill 2.C) [CR5] — Using the loanable-funds model, students analyze the effect of an increase in government borrowing on the real interest rate and private investment. They then explain how crowding out attenuates the fiscal multiplier effect studied in Unit 3 and evaluate under what conditions crowding out is likely to be more or less severe.

Fiscal-Monetary Policy Mix Debate (Skill 1.B) [CR4] — The class divides into two teams. Each team receives a hypothetical initial macroeconomic state (inflationary or recessionary) and must defend a specific policy mix (expansionary fiscal + contractionary monetary, etc.), using the AD-AS model, Phillips curve, and loanable-funds market to justify its choices. The activity requires construction of all three diagrams [CR7].

Economic-Growth Production-Function Problem (Skill 3.B) [CR6] — Given a simple Cobb-Douglas-style production function, students calculate output under scenarios of increased capital stock, increased labor, and technological progress; determine the growth rate of real GDP per capita; and identify which policies (investment tax credits, education spending, R&D subsidies, institutional reform) target which factor.

Unit 6 — Open Economy: International Trade and Finance [CR3]

Unit 6 extends the model to an open economy. Students analyze the balance of payments, the foreign-exchange market, the links between trade balance and capital flows, and the way international factors reshape fiscal and monetary policy outcomes.

Topics

- 6.1 Balance of Payments Accounts
- 6.2 Exchange Rates

- 6.3 Exchange Rates and Net Exports
- 6.4 Real Interest Rates and International Capital Flows
- 6.5 Policy in the Open Economy

Key Activities

Balance-of-Payments Classification (Skill 3.C) [CR6] — Given twenty international transactions, students classify each as a current-account or financial-account item, identify it as a credit or debit, and reconcile the two accounts to demonstrate that the overall balance of payments must equal zero.

Foreign-Exchange Market Graphing (Skill 4.B) [CR7] — Students are given six scenarios (a rise in U.S. interest rates, a rise in U.S. inflation, increased U.S. demand for foreign goods, political instability abroad, European tourism boom in the U.S., a Fed expansionary policy) and must draw the foreign-exchange market for the dollar, correctly labeling axes as 'Price of $ in euros' and showing the shift in supply or demand.

Open-Economy AD-AS Integration (Skill 2.C) [CR5] — Students analyze how a currency depreciation affects net exports, AD, real GDP, and the price level. They must draw the foreign-exchange graph and the AD-AS graph together, demonstrating the causal link between the two models [CR7].

Policy in the Open Economy Synthesis (Skill 1.B) [CR4] — Given a country running a trade deficit and experiencing slow growth, students write a one-page policy memo recommending a combination of fiscal, monetary, and exchange-rate measures, defending each recommendation with reference to the appropriate model and anticipating potential side effects.

Skill Development Matrix [CR4, CR5, CR6, CR7]

The matrix below confirms that each of the four AP Macroeconomics skill categories is developed through multiple labeled activities distributed across the course. Every activity listed is described in the relevant unit above.

Skill Category	CR	Sample Activities (Unit)
Skill 1 — Principles and Models (1.A, 1.B)	CR4	Supply-and-demand scenarios (1); Fiscal policy scenarios (3); Long-run self-adjustment (3); Policy mix debate (5); Open-economy memo (6)
Skill 2 — Interpretation (2.A, 2.B, 2.C)	CR5	FRED data interpretation (2); Multiplier interpretation (3); FOMC press-release analysis (4); Crowding-out interpretation (5); Open-economy AD-AS analysis (6)
Skill 3 — Manipulation (3.A, 3.B, 3.C)	CR6	GDP calculation (2); Price-index problem (2); Labor-force calculation (2); Multiplier problem (3); T-account money creation (4); Growth calculation (5); Balance-of-payments classification (6)
Skill 4 — Graphing and Visuals (4.A, 4.B)	CR7	PPC construction (1); FRED graphing (2); AD-AS construction (3); Self-adjustment graphs (3); Money-market vs. loanable-funds (4); Phillips curves (5); Foreign-exchange market (6); Integrated open-economy graphs (6)

Assessment and Practice

Formative Practice

- Topic Questions (AP Classroom) — assigned after each topic is introduced. Rationales for each question are reviewed with students.
- Personal Progress Checks (AP Classroom) — one to two class periods at the end of each unit are dedicated to review of Personal Progress Check results.
- Weekly problem sets covering computations, graphing, and short-answer application.
- Daily graphing warm-ups — students reproduce and label a model of the day from memory.

Summative Assessments

- Unit tests comprising multiple-choice questions modeled on the AP exam and one long free-response question requiring a labeled graph.
- Two cumulative midterm examinations — one in December (Units 1–3), one in March (Units 1–5).
- A full practice AP Macroeconomics exam in April, with released items from College Board.

Grading Policy

Unit tests and cumulative exams: 60%. Problem sets and labeled-graph warm-ups: 20%. Projects and extended analyses (FRED interpretation, policy memos, debate briefs): 20%.

Suggested Year Calendar

Period	Unit(s)	Major Assessments
Weeks 1–3	Unit 1 — Basic Economic Concepts	Unit 1 Test
Weeks 4–7	Unit 2 — Economic Indicators and the Business Cycle	Unit 2 Test; FRED Project
Weeks 8–13	Unit 3 — National Income and Price Determination	Unit 3 Test; Fiscal Policy Brief
Week 14	Cumulative Midterm Examination (Units 1–3)	Midterm
Weeks 15–19	Unit 4 — Financial Sector	Unit 4 Test
Weeks 20–24	Unit 5 — Long-Run Consequences of Stabilization Policies	Unit 5 Test; Policy Mix Debate
Week 25	Cumulative Second Midterm (Units 1–5)	Midterm
Weeks 26–28	Unit 6 — Open Economy	Unit 6 Test; Open-Economy Memo
Weeks 29–32	AP Exam Review and Full Practice Exam	Practice AP Exam
Week 33	AP Macroeconomics Exam	College Board Exam
Weeks 34+	Post-exam extensions (behavioral economics, economic history case studies)	Final Project

Curricular Requirements — Evidence Summary

This section provides a locator for the external college-faculty reviewer. Each Curricular Requirement is restated verbatim from the AP Macroeconomics Syllabus Development Guide, followed by a summary of the evidence elsewhere in this syllabus.

CR1 — College-Level Textbook

The syllabus identifies Krugman and Wells, Macroeconomics, 6th ed. (Worth, 2021), a current college-level macroeconomics textbook from the AP Course Audit example textbook list, as the primary text. Every student has individual access in print or electronic format. Supplementary resources (Morton and Goodman; FRED) are listed in Required Materials.

CR2 — Big Ideas

The four big ideas (MEA, MKT, MOD, POL) are explicitly named, defined, and mapped to every unit. MEA is developed in Unit 2 (indicators) and Unit 6 (balance of payments). MKT is developed in Unit 1 (supply and demand) and Unit 4 (money market, loanable funds). MOD is developed across Units 1, 3, 4, 5, and 6 through the PPC, AD-AS, money-market, loanable-funds, Phillips-curve, and foreign-exchange models. POL is developed in Units 3, 4, and 5 through fiscal-policy, monetary-policy, and long-run policy analysis.

CR3 — Required Content by Unit

The course covers all topics in the current AP Macroeconomics CED. Each unit outline above enumerates every topic (1.1 through 6.5) included. The AP Classroom Topic Questions and Personal Progress Checks are used as confirmatory instruments.

CR4 — Skill 1: Principles and Models

Labeled Skill-1 activities include the supply-and-demand scenarios (Unit 1), fiscal-policy scenarios (Unit 3), long-run self-adjustment graphs (Unit 3), fiscal-monetary policy mix debate (Unit 5), and the open-economy policy memo (Unit 6).

CR5 — Skill 2: Interpretation

Labeled Skill-2 activities include FRED data interpretation (Unit 2), multiplier interpretation (Unit 3), FOMC press-release analysis (Unit 4), crowding-out interpretation (Unit 5), and open-economy AD-AS analysis (Unit 6).

CR6 — Skill 3: Manipulation

Labeled Skill-3 activities include GDP calculation (Unit 2), price-index problems (Unit 2), labor-force calculation (Unit 2), multiplier numerical problems (Unit 3), T-account money creation (Unit 4), growth-calculation problems (Unit 5), and balance-of-payments classification (Unit 6).

CR7 — Skill 4: Graphing and Visuals

Labeled Skill-4 activities include PPC construction with shifts (Unit 1), FRED graph creation (Unit 2), AD-AS construction with three distinct equilibrium states (Unit 3), long-run self-adjustment sequence graphs (Unit 3), side-by-side money market and loanable-funds diagrams (Unit 4), short-run and long-run Phillips curves (Unit 5), foreign-exchange graphs across six scenarios (Unit 6), and integrated open-economy graphs (Unit 6). Students both create graphs and modify existing graphs in response to changes in variables.