

AP Economics Summer/Introductory Reading

"An economist is a man who states the obvious in terms of the incomprehensible."

- Alfred A. Knopf

"An economist is someone who sees something that works in practice and wonders if it would work in theory."

- Ronald Reagan

"An economist is an expert who will know tomorrow why the things he predicted yesterday didn't happen today."

- Laurence J. Peter

Welcome to AP Economics! To aid you in your journey towards the enlightenment of economic thinking, the following book has been chosen as your summer reading:

Naked Economics: Undressing the Dismal Science by Charles Wheelan

After reading the book, please complete the following questions for discussion. Your responses must be typed in complete sentences with full explanations. They will be collected during the first week back to school in the fall. You will also participate in a Socratic Seminar discussion regarding your summer reading during the first few weeks of school. The grading rubric for each is at the end of this document.

Chapter 1: The Power of Markets

- What are the two basic assumptions that economists make about individuals and firms?
- What is the role and significance of prices in the market economy?
- What's so great about a market economy anyway?

Chapter 2: Incentives Matter

- Explain how each of the following relates to efficient outcomes in a market economy: Adverse selection, "perverse incentives", principal-agent problem, and the prisoner's dilemma.

Chapter 3: Government and the Economy

- In your own words, explain what an externality is.
- Besides addressing externalities, what other important and beneficial roles does government play in our market economy?

Chapter 4: Government and the Economy II

- What are the main reasons why government should only take a limited role in a market economy?

Chapter 5: Economics of Information

- Wheelan explains that basic economic models assume that all parties have "perfect information." How does "informational asymmetry" undermine our market economy?

Chapter 6: Productivity and Human Capital

- After reading Wheelan's argument, do you agree that Bill Gates should be so much richer than you?
- Evaluate the following statement from p. 113: "We should not care about the gap between rich and poor as long as everybody is living better."

Chapter 7: Financial Markets

- Explain how get-rich-quick schemes violate the most basic principles of economics.
- What advice about investing in the stock market did you find most interesting and/or useful?

Chapter 8: The Power of Organized Interests

-Why have mohair farmers earned a subsidy from the federal government for decades?

Chapter 9: Keeping Score

-Why is a nation's GDP a good measure of its economic well-being and progress?

-Why is a nation's GDP a poor measure of its economic well-being and progress?

Chapter 10: The Federal Reserve

-What is the primary role of the Federal Reserve?

-What is the significance of this role?

-What is deflation, and why is it worse than inflation?

Chapter 11: Trade and Globalization

-What is the "good news about Asian sweatshops"?

Chapter 12: Development Economics

-After reading this chapter, what do you believe are the two greatest obstacles preventing poor countries from becoming rich?

Epilogue: Life in 2050

-What economic question do you have about life in 2050? About today's economy? About life in general?

Have a great summer! We look forward to seeing you all this fall. Please do not hesitate to reach out with any questions regarding this assignment, or the course in general.

Mr. Felegy (North) and Mr. Smith (South)

FelegyD@middletownk12.org

SmithT@middletownk12.org

The rubrics are attached below

Socratic Seminar Rubric

	Excellent (5)	Good (4)	Fair (3)	Unsatisfactory (1)
Conduct	Demonstrates respect for the learning process; has patience with different opinions and complexity; shows initiative by asking others for clarification; brings others into the conversation, moves the conversation forward; speaks to all of the participants; avoids talking too much.	Generally shows composure but may display impatience with contradictory or confusing ideas; comments, but does not necessarily encourage others to participate; may tend to address only the teacher or get into debates.	Participates and expresses a belief that his/her ideas are important in understanding the text; may make insightful comments but is either too forceful or too shy and does not contribute to the progress of the conversation; tends to debate, not dialogue.	Displays little respect for the learning process; argumentative; takes advantage of minor distractions; uses inappropriate language; speaks to individuals rather than ideas; arrives unprepared without notes, pencil/pen or perhaps even without the text.
Speaking/ Reasoning	Understands question before answering; cites evidence from text; expresses thoughts in complete sentences; move conversation forward; makes connections between ideas; resolves apparent contradictory ideas; considers others' viewpoints, not only his/her own; avoids bad logic.	Responds to questions voluntarily; comments show an appreciation for the text but not an appreciation for the subtler points within it; comments are logical but not connected to other speakers; ideas interesting enough that others respond to them.	Responds to questions but may have to be called upon by others; has read the text but not put much effort into preparing questions and ideas for the seminar; comments take details into account but may not flow logically in conversation.	Extremely reluctant to participate even when called upon; comments illogical and meaningless; may mumble or express incomplete ideas; little or no account taken of previous comments or important ideas in the text.
Listening	Pays attention to details; writes down questions; responses take into account all participants; demonstrates that he/she has kept up; points out faulty logic respectfully; overcomes distractions.	Generally pays attention and responds thoughtfully to ideas and questions of other participants and the leader; absorption in own ideas may distract the participant from the ideas of others.	Appears to find some ideas unimportant while responding to others; may have to have questions or confusions repeated due to inattention; takes few notes during the seminar in response to ideas and comments.	Appears uninvolved in the seminar; comments display complete misinterpretation of questions or comments of other participants.
Reading	Thoroughly familiar with the text; has notations and questions in the margins; key words, phrases, and ideas are highlighted; possible contradictions identified; pronounces words correctly.	Has read the text and comes with some ideas from it but these may not be written out in advance; good understanding of the vocabulary but may mispronounce some new or foreign words.	Appears to have read or skimmed the text but has not marked the text or made meaningful notes or questions; shows difficulty with vocabulary; mispronounces important words; key concepts misunderstood; little evidence of serious reflection prior to the seminar.	Student is unprepared for the seminar; important words, phrases, ideas in the text are unfamiliar; no notes or questions marked in the text; no attempt made to get help with difficult material.

Written Response Rubric

	0	1	2	3	4
Makes Logical Inferences from Text	<p>No evidence of inference (making a Prediction, interpreting information or drawing a conclusion) about the text</p> <p>Conveys a minimum amount of information about the text</p> <p>May include information that is off topic</p>	<p>Attempts to make a prediction or draw a conclusion about the text</p> <p>Includes some inaccuracies such as details, conclusions, or predictions that are inaccurate or unsubstantiated based on text information</p>	<p>Makes a prediction or draws a conclusion about the text</p> <p>May include details that are not explicitly stated</p> <p>May include details, predictions, or conclusions that are inaccurate or unsubstantiated based on text information</p>	<p>May develop predictions, interpretations, and/or conclusions about the text</p> <p>May identify meanings, clues, and/or details that are not explicitly stated (inferred)</p> <p>Includes connections between the text and the reader's background knowledge (schema) or ideas and beliefs</p>	<p>Develops thoughtful predictions, interpretations, and/or conclusions about the text with depth and understanding</p> <p>Identifies meanings, clues, and details that are not explicitly stated (inferred)</p> <p>Includes connections between the text and the reader's background knowledge (schema) or ideas and beliefs</p>
Cites Specific Textual Evidence	<p>Does not reference text evidence</p>	<p>Cites little text reference and but does not explain purpose</p>	<p>Cites evidence from the text using EITHER quotes or paraphrases</p>	<p>Cites evidence from text by using BOTH direct quotes and paraphrases</p>	<p>Skillfully blends evidence from text using BOTH direct quotes and paraphrases</p>
Summarizes Key Ideas	<p>Does not summarize the clear ideas</p> <p>Conveys a minimum amount of information</p> <p>No reflection of comprehension</p>	<p>Vaguely attempts to summarize the material learned</p> <p>Can not explain textual relevance</p> <p>Does not correctly identify the author's claims</p>	<p>States an interpretation/ argument/claim that may or may not be based on evidence that can be found in the documents</p> <p>Demonstrates the ability to summarize portions of the text</p>	<p>Presents an acceptable ability to summarize a text/document and can make connections across the curriculum</p> <p>States author's claim/claims and evidence presented to prove those claims</p>	<p>Presents strong and thorough abilities to summarize a text that includes outside information with prior knowledge</p> <p>Meets expectations in summarizing documents presented</p>
Draws Connections	<p>Makes no connections or conclusions using the text</p>	<p>Connections distract from understanding of the text</p>	<p>Simple connections identified with little explanation or reflection on the text</p>	<p>Connections are explained and related back to the text to deepen the reader's understanding</p> <p>Uses background knowledge or experience, including information about author and text structure</p>	<p>Connections are fully developed and expand the reader's own interpretation of the text</p> <p>Connects to other texts and/or the world at large</p>