

AP Economics Summer Assignment

The overall goals of the AP Economics curriculum are to understand the economy, interpret economic data, and analyze the methods used to correct disruptions in the business cycle. Our current economic situation is a unique one; one that is tough to understand for most economists.

The following articles on monetary policy, Fiscal policy, and the current state of the economy will help all students set a solid foundation to begin learning about the economy.

Complete the TWO assignments listed below and be prepared to discuss on the first day of class.

Assignment 1: Read the following two articles on Monetary and Fiscal Policy. Prepare a Word document that includes:

- The *definition* of each policy type
- The *tools utilized* for each policy
- *Who* is in charge of each
- Two additional points (of your choice) based on the reading

Article 1: Monetary Policy - <http://www.cnbc.com/id/43752521>

- be sure to look up new Fed chair

Article 2: Fiscal Policy - <http://www.businessnewsdaily.com/3484-fiscal-policy.html>

Assignment 2: We will spend the majority of our time in this course learning about various economic indicators used to analyze the state of the economy and determine how Monetary and Fiscal policy can be used to help keep the economy in a positive business cycle. Below are links to three articles that discuss the current state of the US Economy:

Article 1: [April Jobs Report Article - CNN](#)

Article 2: [GDP 1st Quarter Report Article - CNBC](#)

Article 3: [April Inflation Report Article - CNBC](#)

After reading the articles above, prepare a Word Document that includes the following:

- **Define the three main economic indicators** - unemployment rate, inflation rate, GDP
- **Discuss how each of those economic indicators (listed above) are current performing** in the economy (compare them to where they have come from and what they should be)
- **Highlight & define 5 other terms** you think would be important to evaluate the economy
- **Determine how YOU think our economy is doing** based on the analysis of those economic indicators...and **why**
- **Explain HOW Monetary and Fiscal policy are currently being used** to support the current state of the economy and improve the standard of living

Please staple both assignments together and be prepared to discuss and submit on day ONE.