Chapter 1: Introduction to Economics
1.1 Understanding the Importance of Economics
   ● Evaluate the significance of scarcity
   ● Contrast microeconomics and macroeconomics
   ● Explain the relationship between production and division of labor
1.2 Using Theories and Models
   ● Interpret a circular flow diagram
   ● Explain the importance of economic theories and models
1.3 How Economies Can Be Organized
   ● Contrast traditional economies, command economies, and market economies
   ● Assess the importance and effects of globalization
   ● Understand the basic relationship between government, regulations, and markets

Chapter 2: Choice in a World of Scarcity
2.1 How Individuals Make Choices Based on Their Budget Constraint
   ● Define Sunk Costs
   ● Calculate and graph budget constraints
   ● Evaluate the law of diminishing marginal utility
   ● Explain opportunity costs
2.2 The Production Possibilities Frontier and Social Choices
   ● Explain comparative advantage
   ● Explain the law of diminishing returns
   ● Interpret production possibilities frontier graphs
   ● Contrast productive efficiency and allocative efficiency

Chapter 3: Demand and Supply
3.1 Demand in Markets for Goods and Services
   ● Interpret a demand curve
   ● Explain demand, quantity demanded, and the law of demand
3.2 Supply in Markets for Goods and Services
   ● Explain supply, quantity supplied, and the law of supply
   ● Interpret a supply curve
3.3 Equilibrium in Markets for Goods and Services
   ● Explain equilibrium, equilibrium price, and equilibrium quantity
   ● Define economic surpluses and shortages
3.4 Shifts in Demand for Goods and Services
   ● Identify the effects of income on the demand curve
   ● Identify factors that affect the demand curve
   ● Graph shifts in demand
   ● Define the Ceteris Paribus Assumption
3.5 Shifts in Supply for Goods and Services
   ● Identify the effects of production costs on the supply curve
● Graph shifts in supply
● Identify factors that affect the supply curve
● 3.6 Changes in Equilibrium Price and Quantity
● Graph equilibrium price and quantity
● Changes in equilibrium price and quantity
● 3.7 Price Ceilings and Price Floors
● Explain price floors
● Explain price ceilings
● 3.8 Demand, Supply, and Efficiency
● Contrast consumer surplus, producer surplus, and social surplus
● Explain why price floors and price ceilings can be inefficient
● Analyze demand and supply as a social adjustment mechanism

Chapter 4: Introduction to Labor and Financial Markets
4.1 Demand and Supply at Work in Labor Markets
● Analyze examples of equilibrium in the labor market
● Identify factors that shift labor supply
● Identify factors that shift labor demand
● Analyze price floors in the labor market
4.2 Demand and Supply in Financial Markets
● Explain equilibrium in the financial market
● Explain how interest rates can affect supply and demand
● Define intertemporal decision making
4.3 Effects of Price Controls in the Labor Market
● Apply demand and supply models to analyze prices and quantities
● Explain the effects of price controls on the equilibrium of prices and quantities
● Explain the role of price ceilings and usury laws in the U.S.

Chapter 5: Elasticity
5.1 Price Elasticity of Demand and Price Elasticity of Supply
● Define elasticity
● Calculate price elasticity of supply
● Calculate price elasticity of demand
5.2 Polar Cases of Elasticity and Constant Elasticity
● Explain infinite elasticity
● Explain zero elasticity
● Analyze constant unitary elasticity
5.3 Elasticity and Pricing
● Analyze changes in elasticity over time
● Analyze how price elasticities impact revenue
● Explain the relationship between production and consumer cost
● Explain the effects of elasticity on tax incidence
5.4 Elasticity in Areas Other Than Price
● Calculate the income elasticity of demand
• Calculate the cross-price elasticity of demand
• Select and apply formulas to calculate elasticity
• Analyze elasticity in labor and financial capital markets

Chapter 6: The Macroeconomic Perspective
6.1 Measuring the Size of the Economy
• Define Gross Domestic Product
• Measure GDP using the income approach
• Measure GDP using the expenditures approach
• Measure GDP using the output approach
• Understand the problem of double counting

6.2 Implications of GDP
• Understand Gross National Product
• Differentiate between nominal GDP and real GDP
• Understand tracking real GDP over time
• Evaluate the limitations of GDP as a measure of the standard of living

Chapter 7: Economic Growth
7.1 Labor Productivity and Economic Growth
• Explain the conditions that have allowed for modern economic growth in the last two centuries
• Identify factors that affect labor productivity
• Analyze the sources of economic growth using the aggregate production function

7.2 Components of Economic Growth
• Discuss the components of economic growth
• Explain capital deepening
• Identify factors that contribute to a healthy climate for economic growth

Chapter 8: Unemployment
8.1 Unemployment
• Define employed, unemployed, and labor force
• Calculate the unemployment rate and understand the labor force percentage
• Explain types of unemployment
• Evaluate the collection and interpretation of unemployment data
• Understand government policies to reduce unemployment

Chapter 9: Inflation
9.1 Inflation
• Calculate the annual rate of inflation
• Use the Consumer Price Index to calculate inflation rates
• Differentiate among the Consumer Price Index, the Producer Price Index, and the GDP deflator
• Identify patterns of inflation for the United States
• Explain the economic challenges of inflation
Chapter 10: The International Trade and Capital Flows
10.1 The International Trade and Capital Flows
   ● Identify components of current account balance
   ● Explain balanced trade in terms of investment and capital flows
   ● Identify and calculate supply and demand for financial capital
   ● Predict the effect of savings and investments on a nation's balance of trade
   ● Identify the advantages and disadvantages of trade deficits and surpluses

Chapter 11: The Aggregate Demand/Aggregate Supply Model
11.1 Macroeconomic Perspectives on Demand and Supply
   ● Explain Say's Law and determine whether it applies in the short run or the long run
   ● Explain Keynes' Law and determine whether it applies in the short run or the long run
11.2 Building a Model of Aggregate Demand and Aggregate Supply
   ● Explain the aggregate supply curve
   ● Explain the aggregate demand curve
   ● Identify the point of equilibrium in the aggregate demand/aggregate supply model
11.3 Shifts in Aggregate Supply and Aggregate Demand
   ● Explain how aggregate supply can shift
   ● Explain how aggregate demand can shift
   ● Evaluate why economists disagree on the topic of tax cuts
   ● Explain how unemployment and inflation impact the aggregate demand/aggregate supply model
   ● Recognize the neoclassical zone, the intermediate zone, and the Keynesian zone in the aggregate demand aggregate supply model

Chapter 12: The Keynesian Perspective
12.1 Aggregate Demand in Keynesian Analysis
   ● Identify recessionary gaps and inflationary gaps on the Keynesian AD/AS model
   ● Identify the determining factors of both consumption expenditure and investment expenditure
   ● Analyze the factors that determine government spending and net exports
12.2 The Building Blocks of Keynesian Analysis
   ● Evaluate the Keynesian view of recessions
   ● Understand the factors that contribute to price stickiness
   ● Analyze the impact of the expenditure multiplier
12.3 The Phillips Curve
   ● Understand the Phillips curve
   ● Identify factors that cause the instability of the Phillips curve

Chapter 13: The Neoclassical Perspective
13.1 The Building Blocks of Neoclassical Analysis
   ● Explain the importance of potential GDP in the long run
   ● Analyze the role of flexible prices
   ● Evaluate different ways for measuring the speed of macroeconomic adjustment
13.2 The Policy Implications of the Neoclassical Perspective
   ● Discuss why and how inflation expectations are measured
● Analyze the impacts of fiscal policy and monetary policy on aggregate supply and aggregate demand
● Explain the neoclassical Phillips curve
● Explain the differences between neoclassical economics and Keynesian economics
● 13.3 Balancing Keynesian and Neoclassical Models
● Evaluate how neoclassical economists and Keynesian economists react to recessions
● Analyze the interrelationship between the neoclassical and Keynesian economic models

Chapter 14: Money and Banking
14.1 Defining Money by Its Functions
● Explain the various functions of money
● Contrast commodity money and fiat money
● Contrast M1 money supply and M2 money supply
14.2 The Role of Banks and How Banks Create Money
● Explain how banks act as intermediaries between savers and borrowers
● Analyze and create T-account balance sheets
● Understand the money multiplier formula

Chapter 15: Monetary Policy and Bank Regulation
15.1 Bank Regulation and Monetary Policy
● Explain the structure and organization of the U.S. Federal Reserve
● Explain the functions of a central bank
● Discuss the purpose of bank regulation
15.2 How a Central Bank Executes Monetary Policy
● Explain the reason for open market operations
● Evaluate reserve requirements and discount rates
15.3 Monetary Policy and Economic Outcomes
● Explain how monetary policy impacts interest rates and aggregate demand
● Evaluate Federal Reserve decisions over the last forty years
● Explain the significance of quantitative easing (QE)
15.4 Pitfalls for Monetary Policy
● Analyze whether monetary policy decisions should be made more democratically
● Understand the velocity of money

Chapter 16: Exchange Rates and International Capital Flows
16.1 How the Foreign Exchange Market Works
● Define the foreign exchange market
● Identify demanders and suppliers of currency
● Explain how the appreciating or depreciating of currency affects exchange rates
● Identify who benefits from a stronger currency and who benefits from a weaker currency
16.2 Demand and Supply Shifts in Foreign Exchange Markets
● Explain supply and demand for exchange rates
● Define arbitrage
● Explain relative inflation
● Explain purchasing power parity's importance when comparing countries

16.3 Macroeconomic Effects of Exchange Rates and Policies

● Explain how exchange rate shifting influences aggregate demand

● Define the various types of exchange rate systems

● Identify the tradeoffs that come with a floating exchange rate, a soft peg, a hard peg, and a merged currency

Chapter 17: Government Budgets and Fiscal Policy

17.1 Government Spending

● Understand total U.S. government spending

● Understand state and local government spending

17.2 Taxation

● Define federal taxes

● Define state and local taxes

17.3 Federal Deficits and the National Debt

● Explain the debt / GDP ratio

● Explain the path from deficits to surpluses to deficits

17.4 Using Fiscal Policy to Fight Recession, Unemployment, and Inflation

● Explain expansionary fiscal policy

● Explain contractionary fiscal policy

● Explain how to counterbalance recession and boom

17.5 Fiscal Policy and Balanced Budget

● Understand the connection between fiscal policy and interest rates

● Understand different types of lags and fiscal policies

Chapter 18 - The Impacts of Government Borrowing

18.1 Fiscal Policy, Investment, and Economic Growth

● Explain the national saving and investment identity in terms of demand and supply

● Explain crowding out and its effect on physical capital investment

● Explain the relationship between budget deficits and interest rates

18.2 Fiscal Policy and the Trade Balance

● Discuss twin deficits as they relate to budget and trade deficit

● Explain the relationship between budget deficits and exchange rates

Chapter 19: Macroeconomic Policy Around the World

19.1 The Diversity of Countries and Economies across the World

● Identify what classifies a country as low-income, middle-income, or high-income

● Explain how standards of living are influenced by geography, demographics, industry structure, and economic institutions

● Analyze growth policies for high-income, middle-income, and low-income countries

19.2 Causes of Inflation and the Balance of Trade Concerns

● Identify the causes and effects of inflation in various economic markets

● Analyze concerns over international trade in goods and services and international flows of capital
Chapter 20: International Trade
20.1 Absolute and Comparative Advantage
● Explain gains from trade
● Understand production possibilities and comparative advantage
● Identify situations of mutually beneficial trade
● Identify at least two advantages of intra-industry trading
20.2 The Benefits of Reducing Barriers to International Trade
● Explain the relationship between economies of scale and intra-industry trade
● Identify at least two benefits of reducing barriers to international trade

Chapter 21: Globalization and Protectionism
21.1 Protectionism An Indirect Subsidy from Consumers to Producers
● Explain protectionism and its three main forms
● Analyze protectionism through concepts of demand and supply, noting its effects on equilibrium
● Calculate the effects of trade barriers
21.2 International Trade and Its Effects on Jobs, Wages, and Working Conditions
● Discuss how international trade influences the job market
● Explain and analyze various arguments that are in support of restricting imports
21.3 Arguments in Support of Restricting Imports
● Explain dumping and race to the bottom
● Evaluate the significance of countries' perceptions on the benefits of growing trade
21.4 How Trade Policy Is Enacted: Globally, Regionally, and Nationally
● Explain the origin and role of the World Trade Organization (WTO) and General Agreement on Tariffs and Trade (GATT)
● Discuss the significance and provide examples of regional trading agreements
21.5 The Tradeoffs of Trade Policy
● Analyze trade policy at the national level
● Assess the complexity of international trade
● Explain disruptive market change