

# AP Economics Memo

To: All AP Econ Students  
From: Mr. Rasar (You may e-mail me at [mrasar@cps.k12.il.us](mailto:mrasar@cps.k12.il.us))  
RE: ADVANCED PLACEMENT ECONOMICS SUMMER ASSIGNMENT

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I know that the last things that students want to read about in the last weeks of school are assignments for the Fall semester. The rigors of AP Economics are extremely stressful and difficult. Once the Fall semester begins students must have a common knowledge of some economic terms. These terms lay the foundation of your learning experience throughout the academic year. It can be looked as practice for the regular season or job-training before you actually begin working. **The concepts and terms that are listed are due on the second day of class. There will be a quiz over the terms and concepts during the first full period of class.** This quiz will be open-note and will include all information from the summer assignment. I look forward to meeting and working with each of you.

**Extra-Credit.** If you would like to earn extra-credit before the term begins you can read the recommended summer readings and write a book review of each. Each book review will be worth 50 extra-credit points toward your project grade! Please view the sample copy of a book review on the next two pages.

## **Recommended Reading:**

Landsburg, Steven E. The Armchair Economist: Economics & Everyday Life. New York: The Free Press, 1993.

Galbraith, John Kenneth and Nicole Salinger. Almost Everyone's Guide to Economics. Boston: Houghton Mifflin Company, 1978.

Friedman, Thomas L. The World is Flat. New York: Picador, 2007.

Levitt, Steven D. and Stephen J. Dubner. Freakonomics New York: William Morrow, 2005.

Hazlitt, Henry. Economics in One Lesson: The Shortest and Surest Way to Understand Basic Economics. New York: Three Rivers Press, 1988.

Heilbroner, Robert L. The Worldly Philosophers: The Lives, Times And Ideas Of The Great Economic Thinkers. New York: Touchstone, 1999.

Iacocca, Lee. Where Have All the Leaders Gone? New York: Scribner, 2007.

## Assignment: Book Review

Choose a book to review from a list of titles in your subject area. Your review must include a coverage page with the following information:

**Title:** Include publisher and number of pages.

Is the publisher a scholarly press? Does the press represent a particular ideological perspective? Was the book financed by a foundation with a certain point of view? (Note: This information can sometimes be gleaned from existing reviews of the book).

**Author:** Name, education, position, previous books. You can find this information in the book itself (if it is a recent title) or by looking the author up in the Directory of History Departments and Organizations in the United States and Canada [Ref D16.3G83]; Directory of American Scholars, 9 ed., vol. 1 (History) [Ref. 378.092D598]; National Faculty Directory, [Ref. 378.1205873 N277]; European Faculty Directory [Ref. 378.120254 E89]; Contemporary Authors [Ref. Z1224.C58 E156] – See, e.g., Fogel, vol. 103

What *expertise* does the author bring to his/her study of the subject? Is the author a professional historian? Journalist?

**Scope:** Briefly describe the topics covered in the book.

**Sources:** What type of primary and secondary sources does the author rely upon?

**Theses:** Provide a concise list of the major theses of the book.

### **Style of**

**presentation:** Is the book well-organized? Accessible to an educated lay reader? Targeted to a particular audience? Is the book polemical? Read what other reviewers have to say about the book, but your opinion counts here.

**Importance:** Authors usually try to establish the importance of their work by relating it to other books in the field (i.e., “placing it in historiographic context”). Is the author trying to revise the standard interpretations of his/her subject? Does the author have anything new to say or add to our understanding of the topic?

### **Reviews**

**consulted:** You can find book review citations by consulting Book Review Digest, Book Review Index, America: History and Life, or Historical Abstracts (for non-U.S. history). For older reviews, see Combined Retrospective Index to Book Reviews in Humanities Journals, 1802-1974. \*\*\*Read at least **two** reviews of your book (if available).

Follow this information with a narrative review of the book (500-750 words). You should incorporate the information you have gathered for your cover page. Your review should contain the following (see attached model reviews):

Introductory paragraph: brief overview of the book, its topic and thesis.

Main Body: Several paragraphs summarizing the main points of the book and analyzing the sources, argumentation, presentation, etc.

Concluding paragraph: Sum up the merits of the book.

NOTE: You must enclose all direct quotations within quotation marks followed by a page reference in parentheses. Example: Jones argues that "the 1920s were a watershed for American business." (p. 114)

## Sample Cover Page

**The Politics of Airline Deregulation** (Knoxville: University of Tennessee, 1987), xii + 224pp

**Author:** **Anthony E. Brown: Ph.D.** Tennessee, 1982; now teaching at Oklahoma State; books: **Regulatory Policy and Processes: The Public Service Commissions in Tennessee, Kentucky and Georgia** (1980)

**Scope:** Based on the author's dissertation, this work places airline deregulation in historical perspective. Brown examines the history of airline regulation and then discusses the circumstances favoring deregulation in the 1970s.

**Sources:** government documents (hearings, reports); speeches; memoranda; 90 secondary works; 80 journal articles; newspapers; trade journals; interview with CAB chairman Alfred Kahn.

### **Theses of the book:**

1. Current theories fail to explain deregulation because they assume that regulatory regimes are "immortal."
2. Business-government cooperation was evident from the beginning of the airline industry. The Civil Aeronautics Board (CAB) promoted and regulated the airlines.
3. Circumstances favored deregulation in the 1970s: scandals involving CAB chairman Timm tarnished the agency's image (1974); economists criticized regulation; Senator Kennedy's subcommittee hearings drew public attention to the issue (1975).
4. Deregulators used six strategies to defeat the airline lobby. They offered an antitrust alternative; highlighted the costs of regulation; presented deregulation as an inflation cure; compromised; recruited staff; and administratively deregulated the industry.
5. The CAB's policy cycle played into the hands of reformers. The agency promoted competition in good times and restricted it in bad times. When the industry experienced a downturn in the early 1970s the CAB severely restricted competition thus igniting public resentment. The economy revived in the mid-1970s and the agency promoted competition. Industry prosperity coincided with the deregulation movement.
6. Deregulation culminated with the abolition of the CAB (Airline Deregulation Act of 1978)

**Style of presentation:** Brown offers an excellent survey of the literature and an extensive bibliography. Unfortunately, this work is poorly organized and repetitive. One reviewer calls the book "extremely readable," but it is full of political science jargon.

**Importance:** This book presents a revisionist interpretation of airline regulation. Brown challenges the "capture" theory of regulation.

**Reviews consulted:** F.T. Colon, **Perspective** (Summer 1988); F.J. Macchiarola, **PSQ** (1988)

**Assignment and Sample adapted from Jonathan Bean, Ph.D.**

**Advanced Placement Economics**  
**Summer Terms and Concepts**  
**Due: Second Day of Class**

Directions: *Please define all terms and concepts listed below using a dictionary. Furthermore, attempt to give a real-life example of each.*

Economics  
Marginal Cost  
Marginal Benefit  
Scientific method  
Theoretical  
Principles  
Generalizations  
Macroeconomics  
Microeconomics  
Aggregate  
Graph

Horizontal  
Vertical  
Direct  
Inverse  
Independent  
Variable  
Dependent  
Slope  
Vertical

Utility  
Land  
Capital  
Investment  
Labor  
Employment  
Efficiency  
Consumer  
Market system  
Capitalism  
Demand  
Supply  
Goods  
Surplus  
Shortage  
Scarcity  
Opportunity  
Monopoly

Oligopoly  
Competition  
Externalities  
Adam Smith