**Unit 5 The Long-Run and International Trade & Exchange**

Students should be able to an understanding of basic economic concepts by:

1. Explaining and demonstrating the shape of the AS curve in the short run and long run; defining and showing the full-employment level of output (Qf).
2. Determining equilibrium using an AD/AS graph and show the effects on price level and real GDP when equilibrium changes in both the long run and the short run.
3. Assessing the effect of fiscal and monetary policy on real output, price level, and the level of employment in the long run and the short run.
4. Gaining understanding of how an economy responds to a short-run shock and adjusts in the long run in the absence of any public policy actions.
5. Examining the economic effects of government deficit budgets, including “crowding out”.
6. Considering issues surrounding the size and burden of the national debt.
7. Gaining understanding of inflation-unemployment tradeoffs using short-run and long-run Phillips curve analysis.
8. Showing the causes of inflation on an AD/AS model.
9. Speculating on the role of inflationary expectations on price level and output.
10. Defining economic growth and listing the factors that stimulate growth.
11. Suggesting how public politicizes stimulate economic growth.

Students should be able to an understanding of basic economic concepts by:

1. Using graphical and tabular analysis, showing the benefit of employing comparative advantages.
2. Explaining how the balance of payments accounts are recorded.
3. Explaining the effect of trade restrictions.
4. Listing the factors that influence equilibrium foreign exchange rates.
5. Using demand/supply analysis, show how market forces and public policy affect currency demand and currency supply.
6. Defining currency appreciation and depreciation and relating both to graphical analysis.
7. Stating the effects of appreciation and depreciation on a country’s net exports.
8. Understanding how changes in net exports and capital flows affect financial and goods markets.

**Key Graphs:**

* Phillips Curve
* Flexible Exchange Rates

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| **April/May 2019** |
| Sun. | Monday | Tuesday | Wednesday | Thursday | Friday | Sat. |
|  |  | **16**Notes Day: Long-run ASGrowth and the PPC/Debt | **17**U4 Test Analysis | **18**Long-run AS/ Phillips Curve | **19****NO SCHOOL**  |  |
|  | **22**Graph Practice | **23**Debt**5.1/5.2 Content Check** | **24**Comparing Macro Theories | **25**Flexible Exchange Rates | **26**Flexible Exchange Rates**Key Graph Quiz** |  |
|  | **29**Balance of Payments | **30**Practice**5.5/5.6 Content Check** | **1****Unit 5 Test** | **2**Unit 5 Test Analysis  | **3****Gov Review** |  |