

AP Economics 2016-2017 Summer Assignment

This summer, you will be reading the graphic novel *Economix* and completing an assignment. This book is highly opinionated, interesting, and thought provoking. It may make you stand up and cheer or shout out in anger, depending on your point of view. Hopefully it will get you thinking about some economic concepts and theories and will get you excited to learn more.

Here are the details on the book:

- Title: [Economix: How our Economy Works \(and doesn't work\) In words and pictures](#)
- Author: Michael Goodwin, illustrated by Dan E. Burr
- Abrams ComicArts, New York, 2012
- ISBN 978-0-8109-8839-2
- Currently available on Amazon for \$12.71

To complete this assignment, you will be creating a Google Doc of your own (you can simply copy make a copy of this document and use it as a template) and submitting it on Google Classroom approximately one week after school begins (a more concrete due date will be given on the first day of school, but expect it to be about a week into school).

Part 1: Short Answer Questions. Each question should be answered in 2-3 sentences. (worth 2 points each).

1. Trace the crucial idea that most consumers are also workers as it appears in different contexts throughout the book (pp. 32, 122, 139, 193).
2. Which economist whose work was published more than a century ago would be most applicable to today's world? Why?
3. How does the experience of railroad-building in the U.S. (p. 75) hint at both the positives and negatives of a "mixed economy"? Similarly, which problems did the New Deal solve (p. 115) and which new ones did it potentially create?
4. In the context of the Glass-Steagall Act (p. 117), Goodwin suggests that "perfect regulation" involves "simple rules that align private incentives with the public interest." If this is true, what regulations in the late twentieth and early twenty-first centuries might have averted the financial crisis of 2008? (e.g., p. 248)
5. Compare and contrast protest movements of the recent past (Seattle's WTO protestors, pp. 239, 245–46), the distant past (The Boston Tea Party, p. 32), and those at the time of publication (Occupy Wall Street, pp. 273–75; the Tea Party, p. 271). What are some areas of commonality?

Part 2: Economic Identifications. Please define each term (in your own words) and briefly describe the context in which they are demonstrated in the book. Should be one full sentence or two short sentences long each. Page numbers given in parentheses. (worth 1 point each)

1. Division of Labor (21)
2. Comparative Advantage (37)
3. Business Cycle (48)
4. Supply and Demand (68)
5. Deficit Spending (124)
6. Gross Domestic Product (141)
7. Macroeconomics and Microeconomics (144)
8. Stagflation (164)
9. Monopolistic Competition and Oligopoly (168)
10. Neoliberalism (183)

Part 3: Short Essay Question: Should be 1-2 pages double spaced. (worth 10 points)

- For this essay, you will also need to read the following short article on [Libertarianism](http://www.cato.org/publications/commentary/key-concepts-libertarianism) by David Boaz of the Cato Institute as a counterpoint to the *Economix* book
 - (<http://www.cato.org/publications/commentary/key-concepts-libertarianism>)
- You should write a three paragraph essay:
 - Paragraph 1: How does Michael Goodwin, author of *Economix*, believe the government can improve the outcome of the economy? Be sure to discuss specific examples that Goodwin gives to prove his thesis.
 - Paragraph 2: How does David Boaz differ from Goodwin in his view of the best way for an economy to operate? Are there any similarities in their viewpoints?
 - Paragraph 3: Which point of view do you agree with more? Why?

TOTAL GRADE IS OUT OF 30 POINTS