

## **AP ECONOMICS SUMMER ASSIGNMENT 2018**

Economics is a course in which you will be required to do levels of thinking that you have not done before. In order to best prepare yourself for this endeavor, it is necessary to complete a summer assignment. The assignment will get you in the right frame of mind for the course you are about to enter. Remember you have chosen to take this college level course and will be expected to do college level work. **You must choose to complete one of the following:**

### **OPTION 1:**

Subscribe to the podcast: "Planet Money" from NPR. The link is provided here:

<https://www.npr.org/podcasts/510289/planet-money>

\*You can also subscribe using the podcast App on your phone by searching "Planet Money"\*

You must listen to **five** episodes of the podcast throughout the summer and write a two to three page (single spaced) reaction to each. Please provide the name of the episode in the title of the reaction. These reactions must provide specifics about the material discussed and be related to one of the core economic concepts that are provided later in this assignment description. Failure to use details or relate the material to a core concept will result in a score of zero for that reaction. Your reactions must also follow proper grammar and english standards.

Most of what you are going to learn in the course centers around major core concepts and theories. Ten of those concepts have been chosen and are listed below. Please be sure to reference at least one concept in your reaction to each podcast. Please remember that your responses are to be college level and that your work will be graded not on just simply completing the task, but on how well you completed it.

### **Ten Core Economic Concepts:**

Scarcity- The condition resulting from their being unlimited wants and needs but limited resources. Scarcity forces us to make choices.

Incentives- The motivating factors in people's decision making processes

Trade-offs- All of the things we sacrifice when a choice is made.

TINSTAFL- "There is no such thing as a free lunch". This means that every decision we make comes with some measure of cost. Cost can be monetary (explicit) or non-monetary (implicit).

Efficiency- The ability to avoid wasting materials, time, effort in achieving a productive outcome

Cost - Benefit Analysis- The process of analyzing the relative costs (sacrifices) of making a decision versus the relative benefits (gains) of the decision.

Property Rights- The exclusive authority to determine how a resources is used. Usually this involves conflict or needed agreement between government (public agents) and private citizens.

Utility- The usefulness or satisfaction that is achieved from an action or decision

Trade- The concept of exchanging goods / services with another entity for mutual gain

Interdependence- When the actions of one group or entity have an impact on another group or entity. This does not mean the two parties (or multiple parties) depend on each other, it simply means that the actions of one will impact others.

### OPTION 2: Watch:



You can access the documentary through Netflix or Amazon Prime Video  
Answer the following questions in 50-100 words:

- 1) Which of the necessary characteristics of money (acceptability, durability, stability, uniformity, divisibility, & portability) does Bitcoin represent an improvement upon from standard currency?
- 2) Which of the necessary characteristics of money (acceptability, durability, stability, uniformity, divisibility, & portability) represents the biggest challenge or obstacle to the mainstreaming of Bitcoin and why?
- 3) Explain how proponents of Bitcoin see it as a libertarian solution to central banks.
- 4) Explain how Bitcoin fulfills the 3 functions of money:
  - a) Medium of Exchange
  - b) Unit of Account
  - c) Store of Value
- 5) Do you think that Bitcoin or another form of cyber-currency could become a viable and mainstream form of currency in the next 10 years? Why or why not?

**This assignment is due on the first full day of classes, Monday September 10. It will count as your first quiz grade of the quarter. There will be no exceptions to this due date, nor will extensions be granted.**

Please complete the assignment via Google docs attached to your St. Anthony's email account. When schedules are given out, the assignment can be shared with the appropriate AP Economics teacher. Paper copies are not sufficient for submission and will not be accepted. Please be sure to allow edits and comments when sharing with the appropriate teacher. Email any questions to [lcordina@stanthonyshs.org](mailto:lcordina@stanthonyshs.org) or [pWASHINGTON@stanthonyshs.org](mailto:pWASHINGTON@stanthonyshs.org) and responses will be generated in a timely manner. Thank you and enjoy your summer.