

Tick one box per statement: ☐ not yet ☐ nearly ☐ confident. / /

1. Basic Economic Concepts

1.1 Scarcity

☐☐☐ Define scarcity and economic resources.

1.2 Opportunity Cost and the Production Possibilities Curve (PPC) (PPC)

☐☐☐ Opportunity Cost and the Production Possibilities Curve (PPC)

1.3 Comparative Advantage and Gains from Trade

☐☐☐ Comparative Advantage and Gains from Trade

1.4 Demand

☐☐☐ Explain (using graphs as appropriate) the determinants of demand.

1.5 Supply

☐☐☐ Explain (using graphs as appropriate) the determinants of supply.

1.6 Market Equilibrium, Disequilibrium, and Changes in Equilibrium

- ☐☐☐ Define (using graphs as appropriate) market equilibrium.
- ☐☐☐ Explain (using graphs as appropriate) how changes in demand and supply affect equilibrium price and equilibrium quantity.

2. Economic Indicators and the Business Cycle

2.1 The Circular Flow and GDP

☐☐☐ The Circular Flow and GDP

2.2 Limitations of GDP

☐☐☐ Define the limitations of GDP.

2.3 Unemployment

☐☐☐ Define the limitations of the unemployment rate.

2.4 Price Indices and Inflation

☐☐☐ Define the shortcomings of the CPI as a true measure of inflation.

2.5 Costs of Inflation

☐☐☐ Explain the costs that unexpected inflation (deflation) imposes on individuals and the economy.

2.6 Real v. Nominal GDP

- ☐☐☐ Define nominal GDP and real GDP.
- ☐☐☐ Calculate real GDP and the GDP deflator.

2.7 Business Cycles

☐☐☐ Business Cycles

3. National Income and Price Determination

3.1 Aggregate Demand (AD) (AD)

☐☐☐ Aggregate Demand (AD)

3.2 Multipliers

☐☐☐ Multipliers

3.3 Short-Run Aggregate Supply (SRAS) (SRAS)

☐☐☐ Explain (using graphs as appropriate) how movement along the SRAS curve implies a relationship between the price level (and inflation) and unemployment.

3.4 Long-Run Aggregate Supply (LRAS) (LRAS)

- ☐☐☐ Define (using graphs as appropriate) the short run and the long run.
- ☐☐☐ Define (using graphs as appropriate) the long-run aggregate supply (LRAS) curve.

3.5 Equilibrium in the Aggregate Demand–Aggregate Supply (AD–AS) Model — (AD–AS)

☐☐☐ Explain (using graphs as appropriate) the short-run and long-run equilibrium price level and output level.

3.6 Changes in the AD–AS Model in the Short Run AD–AS

☐☐☐ Explain (using graphs as appropriate) the response of output, employment, and the price level to an aggregate demand or aggregate supply shock in the short run.

3.7 Long-Run Self-Adjustment

☐☐☐ Explain (using graphs as appropriate) the response of output, employment, and the price level to an aggregate demand or aggregate supply shock in the long run.

3.8 Fiscal Policy

☐☐☐ Define why there are lags to discretionary fiscal policy.

3.9 Automatic Stabilizers

☐☐☐ Automatic Stabilizers

4. Financial Sector

4.1 Financial Assets

- ☐☐☐ Financial Assets

4.2 Nominal v. Real Interest Rates

- ☐☐☐ Nominal v. Real Interest Rates

4.3 Definition, Measurement, and Functions of Money

- ☐☐☐ Definition, Measurement, and Functions of Money

4.4 Banking and the Expansion of the Money Supply

- ☐☐☐ Banking and the Expansion of the Money Supply

4.5 The Money Market

- ☐☐☐ Define (using graphs as appropriate) equilibrium in the money market.
- ☐☐☐ Explain (using graphs as appropriate) how nominal interest rates adjust to restore equilibrium in the money market.

4.6 Monetary Policy

- ☐☐☐ Define why there are lags to monetary policy.

4.7 The Loanable Funds Market

- ☐☐☐ Define national savings in both a closed and an open economy.
- ☐☐☐ Define (using graphs as appropriate) equilibrium in the loanable funds market.
- ☐☐☐ Explain (using graphs as appropriate) how real interest rates adjust to restore equilibrium in the loanable funds market.

5. Long-Run Consequences of Stabilization Policies

5.1 Fiscal and Monetary Policy Actions in the Short Run

- ☐☐☐ Explain (using graphs as appropriate) the effects of combined fiscal and monetary policy actions.

5.2 The Phillips Curve

- ☐☐☐ Explain (using graphs as appropriate) the response of unemployment and inflation in the short run and in the long run.

5.3 Money Growth and Inflation

- ☐☐☐ Money Growth and Inflation

5.4 Government Deficits and the National Debt

- ☐☐☐ Government Deficits and the National Debt

5.5 Crowding Out

- ☐☐☐ Crowding Out

5.6 Economic Growth

- ☐☐☐ Economic Growth

5.7 Public Policy and Economic Growth

- ☐☐☐ Public Policy and Economic Growth

6. Open Economy – International Trade and Finance

6.1 Balance of Payments Accounts

- ☐☐☐ Balance of Payments Accounts

6.2 Exchange Rates

- ☐☐☐ Exchange Rates

6.3 The Foreign Exchange Market

- ☐☐☐ Define (using graphs as appropriate) the equilibrium exchange rate.
- ☐☐☐ Explain (using graphs as appropriate) how exchange rates adjust to restore equilibrium in the foreign exchange market.

6.4 Effect of Changes in Policies and Economic Conditions on the Foreign Exchange Market

- ☐☐☐ Effect of Changes in Policies and Economic Conditions on the Foreign Exchange Market

6.5 Changes in the Foreign Exchange Market and Net Exports

- ☐☐☐ Explain (using graphs as appropriate) how changes in the value of a currency can lead to changes in a country's net exports and aggregate demand.

6.6 Real Interest Rates and International Capital Flows

- ☐☐☐ Explain (using graphs as appropriate) how differences in real interest rates across countries affect financial capital flows, foreign exchange markets, and loanable funds markets.