

Course Description: Government and Economics

Overview

American Government focuses on the basic structure and purpose of the American government. Students learn the basic history and political philosophy behind our system of government, different influences on and methods of political participation, the structure and function of the three branches of government, the history of protecting civil liberties and rights in the United States, and a basic introduction to state and local government.

Economics provides a broad survey of the study of economics. Students learn the basic vocabulary and theory of the study of economics, the theories behind supply and demand, how economics applies to people on a personal level, the basic theories behind how a business runs in a capitalist economy, the role of the government in the economy, an overview of macroeconomics that includes basic vocabulary and fiscal/monetary policy, and international economics.

Requirements of the Course

Government requires students to complete the following:

- Weekly homework assignments that include outlines, comprehension and analysis questions, reflection, and current event analysis
- 5-7 unit exams that consist of multiple choice questions and 1-2 free responses
- Current event and analytical reading at teacher's discretion

Economics requires students to complete the following:

- Weekly homework assignments that include outlines, comprehension questions, reflection, practice problems and current event analysis
- 7 unit exams that consist of multiple choice questions and 1-2 free responses
- Current event and analytical reading at teacher's discretion

What Makes this Different Than AP Gov/Econ?

"Regular" Gov/Econ, while a rigorous course, requires less textbook reading, provides more in-class review time for exams, more teacher guidance and less in-depth material. The reading difficulty of the textbook is set at a high school level. Students receive more in-class time for homework, exam review and class activities than on the AP level, which, because of the volume of material, requires a more lecture-based environment. While students will certainly become well versed in Government and Economics, the "regular" course does not cover the material in the same depth and specificity as the AP course. Because of this, there is generally more time to slow down and comprehend the material, as opposed to the AP course, which is on a deadline to cover all material before the AP exam. In terms of content, students will get the opportunity to learn about state and local government, which they do not in the AP course. In Economics, students will learn much more about macroeconomics and international economics which is only briefly touched upon in the AP Microeconomics course. Both "regular" courses focus on practical engagement in a democratic society as opposed to a focus on theory that is required by the AP curriculum.

Parties and What They Do

Section Preview

OBJECTIVES

1. Define a political party.
2. Describe the major functions of political parties.

WHY IT MATTERS

Political parties are essential to democratic government. In the United States, political parties have shaped the way the government works. Today, the major parties perform several important functions without which our government could not function.

POLITICAL DICTIONARY

- ★ political party
- ★ major parties
- ★ partisanship
- ★ party in power

“Winning isn't everything; it's the only thing.” So said legendary football coach Vince Lombardi. Lombardi was talking about teams in the National Football League. His words, however, could also be used to describe the Republican and Democratic parties. They, too, are in the business of competing and winning.

What Is a Party?

A **political party** is a group of persons who seek to control government through the winning of elections and the holding of public office. This definition of a political party is broad enough to fit any political party. It certainly describes the two **major parties** in American politics, the Republican and the Democratic parties.

Another, more specific definition can be used to describe most political parties, both here and abroad. That is, a political party is a group of persons, joined together on the basis of common principles, who seek to control government in order to affect certain public policies and programs.

**DEMOCRATS MAKE GREAT LEADERS
YOU'RE FOLLOWING ONE**

**Proud to be a
REPUBLICAN!**

▲ Bumper stickers reveal party loyalty.

This definition, with its emphasis on principles and public policy positions, will not fit the two major American parties, however. The Republican and Democratic parties are not primarily principle- or issue-oriented. They are, instead, election-oriented.

What Do Parties Do?

It is clear from American history, as well as from the histories of other peoples, that political parties are essential to democratic government. Parties are the major mechanisms behind the development of broad policy and leadership choices; they are the medium through which those options are presented to the people.

Political parties are a vital link between the people and their government; that is, between the governed and those who govern. Many observers argue that political parties are the principal means by which the will of the people is made known to government and by which government is held accountable to the people.

Parties serve the democratic ideal in another important way. They work to blunt conflict; they are “power brokers.” Political parties bring conflicting groups together. They modify and encourage compromise among the contending views of different interests and groups, and so help to unify, rather than divide, the American people. They soften the impact of extremists at both ends of the political spectrum.

Again, political parties are indispensable to American government. This fact is underscored by the major functions they perform.

The Law of Demand

Main Idea The law of demand states that as price goes up, quantity demanded goes down, and vice versa.

Economics & You Can you think of a common household item that was once very expensive but is now much cheaper? Read on to find out how demand affects the prices of items you buy and use every day.

Demand, in economic terms, represents all of the different quantities of a good or service that consumers will purchase at various prices. It includes both the willingness and the ability to pay. A person may say he or she wants a new DVD. Until that person is both willing *and able* to buy it, however, no demand for DVDs has been created by that individual.

The **law of demand** explains how people react to changing prices in terms of the quantities demanded of a good or service. (See **Figure 7.2**.) There is an *inverse*, or opposite, relationship between quantity demanded and price. For example, if the price of a DVD is \$15 many people will buy it. If the price went up to \$20 fewer people would buy it, but many people who wanted the DVD would still buy it. Only a few people would buy the DVD if the price went up to \$75. This example shows how the law of demand works.

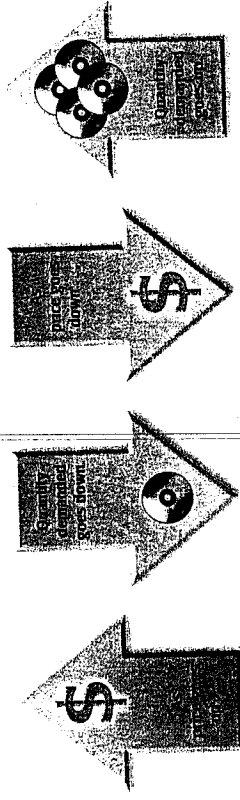
Several factors explain the inverse relation between price and quantity demanded, or how much people will buy of any item at a particular price. These factors include real income, possible substitutes, and diminishing marginal utility.

law of demand: economic rule stating that the quantity demanded and price move in opposite directions

quantity demanded: the amount of a good or service that a consumer is willing and able to purchase at a specific price

Figure 7.2 Consumers react to price changes.

■ Consumers react to price changes.



Course Description: AP Government and Economics

Overview

AP American Government and Politics provides an analytical perspective on government and politics in the United States. This course involves both the study of general concepts used to interpret U.S. politics and the analysis of specific case studies. It also requires familiarity with the various institutions, groups, beliefs and ideas that constitute U.S. political reality. Major units include 1) Constitutional Underpinnings of the United States, 2) Political Beliefs and Behaviors, 3) Political Parties, Interest Groups, Mass Media, 4) Institutions of National Government: The Congress, the Presidency, the Bureaucracy and Federal Courts, 5) Public Policy and 6) Civil Rights and Civil Liberties.

AP Microeconomics focuses on economics on a small scale, namely through the individual and the business. Students learn the basic vocabulary and theory of the study of economics, the theories behind supply and demand, vocabulary and graphs behind the costs of production in a business, market structures (monopoly, oligopoly, monopolistic competition, and perfect competition), labor and resource markets, and the theory of market failures and what government can do to rectify them.

Requirements of the Course

AP Government requires students to complete the following:

- Nightly reading of an average of 5-15 pages, including textbook outlines and/or reading notes
- Practice FRQs (some completed in class, but many for HW)
- 6 challenging unit exams that consist of roughly 30 multiple choice questions and 1-2 free responses
- Current event and analytical reading at teacher's discretion

AP Econ requires students to complete the following:

- Nightly reading of 5-15 pages, including textbook outlines, reading notes and/or practice problems
- 6 lengthy problem sets that include multiple choice questions, graphs and practice problems
- 6 challenging unit exams that consist of roughly 30 multiple choice questions and 1-2 free responses
- Current event and analytical reading at teacher's discretion

What Makes this Different Than "Regular" Gov/Econ?

Students should expect a college-level environment. This entails fast-paced lectures and higher level thinking, often with minimal assistance (i.e. students must take their own notes as opposed to relying on Power Point presentations). There are also stricter guidelines in terms of expected behavior, difficulty of exams, make-up or late work, and student motivation. In order to succeed on the AP level, students should have an interest in the material and be willing to take significant time outside of class to read their textbook, review lecture and problem set material, and develop questions they have about difficult material. In terms of content, students will go much further into depth in both subjects; students who are interested in the subject will gain a much richer and nuanced understanding of Government and Economics. On the AP level, students will not learn about state and local government, which they will in the standard Government class. In AP Economics, they will only focus on Microeconomics and gain only a brief introduction to Macroeconomics. While students **do not** need to be enrolled in a higher level math course, there is more use of math and graphing on the AP level than in the standard course. The content of both courses is determined by the College Board and the course is designed to prepare students to take the corresponding AP exam.

party competition

The battle of the parties for control of public offices. Up and down of the two major parties are one of the most important elements in American politics.

The alternating of power and influence between the two major parties is one of the most important elements in American politics. Party competition is the battle between Democrats and Republicans for the control of public offices. Without this competition there would be no choice, and without choice there would be no democracy. Americans have had a choice between two major political parties since the early 1800s, and this two-party system remains intact more than two centuries later.

The Meaning of Party

Almost all definitions of political parties have one thing in common: Parties try to win elections. This is their core function and the key to their definition. By contrast, interest groups do not nominate candidates for office, though they may try to influence elections. For example, no one has ever been elected to Congress as the nominee of the National Rifle Association, though many nominees have received the NRA's endorsement. Thus, Anthony Downs defined a political party as a "team of men [and women] seeking to control the governing apparatus by gaining office in a duly constituted election."²

The word *team* is the slippery part of this definition. Party teams may not be so well disciplined and single-minded as teams fielded by top football coaches. Party teams often run every which way and are difficult to lead. Party leaders often disagree about policy, and between elections the party organizations seem to all but disappear. So who are the members of these teams? A widely adopted way of thinking about parties in political science is as "three-headed political giants." The three heads are (1) the party in the electorate, (2) the party as an organization, and (3) the party in government.³

The *party in the electorate* is by far the largest component of an American political party. Unlike many European political parties, American parties do not require dues or membership cards to distinguish members from nonmembers. Americans may register as Democrats, Republicans, Libertarians, or whatever, but registration is not legally binding and is easily changed. To be a member of a party, you need only claim to be a member. If you call yourself a Democrat, you are one—even if you never talk to a party official, never work in a campaign, and often vote for Republicans.

The *party as an organization* has a national office, a full-time staff, rules and bylaws, and budgets. In addition to a national office, each party maintains state and local headquarters. The party organization includes precinct leaders, county chairpersons, state chairpersons, state delegates to the national committee, and officials in the party's Washington office. These are the people who keep the party running between elections and make its rules. From the party's national chairperson to its local precinct captain, the party organization pursues electoral victory.

The *party in government* consists of elected officials who call themselves members of the party. Although presidents, members of Congress, governors, and lesser officeholders may share a common party label, they do not always agree on policy. Presidents and governors may have to wheedle and cajole their own party members into voting for their policies. In the United States, it is not uncommon to put personal principle—or ambition—above loyalty to the party's leaders. These leaders are the main spokespersons for the party, however. Their words and actions personify the party to millions of Americans. If the party is to translate its promises into policy, the job must be done by the party in government.

Political parties are everywhere in American politics—present in the electorate's mind, as an organization, and in government offices—and one of their major tasks is to link the people of the United States to their government and its policies.

Demand

Demand is a schedule or a curve that shows the various amounts of a product that consumers are willing and able to purchase at each of a series of possible prices during a specified period of time. Demand shows the quantities of a product that will be purchased at various possible prices, other things equal. Demand can easily be shown in table form. Table 3.1 is a hypothetical demand schedule for a single consumer purchasing bushels of corn.

Table 3.1 reveals the relationship between the various prices of corn and the quantity of corn a particular consumer would be willing and able to purchase at each of these prices. We say "willing and able" because willingness alone is not effective in the market. You may be willing to buy a digital camera, but if that willingness is not backed by the necessary dollars, it will not be effective and, therefore, will not be reflected in the market. In Table 3.1, if the price of corn were \$5 per bushel, our consumer would be willing and able to buy 10 bushels per week; if it were \$4, the consumer would be willing and able to buy 20 bushels per week; and so forth.

Table 3.1 does not tell us which of the five possible prices will actually exist in the corn market. That depends on demand and supply. Demand is simply a statement of a buyer's plans, or intentions, with respect to the purchase of a product.

To be meaningful, the quantities demanded at each price must relate to a specific period—a day, a week, a month. Saying "A consumer will buy 10 bushels of corn at \$5 per bushel" is meaningless. Saying "A consumer will buy 10 bushels of corn per week at \$5 per bushel" is meaningful. Unless a specific time period is stated, we do not know whether the demand for a product is large or small.

TABLE 3.1

An Individual Buyer's Demand for Corn

Price per Bushel	Quantity Demanded per Week
\$5	10
4	20
3	35
2	55
1	80

¹This definition obviously is worded to apply to product markets. To adjust it to apply to resource markets, substitute the word "resource" for "product" and the word "businesses" for "consumers."

Law of Demand

A fundamental characteristic of demand is this: *All else equal, as price falls, the quantity demanded rises, and as price rises, the quantity demanded falls.* In short, there is a negative or inverse relationship between price and quantity demanded. Economists call this inverse relationship the law of demand.

The other-things-equal assumption is critical here. Many factors other than the price of the product being considered affect the amount purchased: The quantity of Nikes purchased will depend not only on the price of Nikes but also on the prices of such substitutes as Reeboks, Adidas, and New Balances. The law of demand in this case says that fewer Nikes will be purchased if the price of Nikes rises and if the prices of Reeboks, Adidas, and New Balances all remain constant. In short, if the relative price of Nikes rises, fewer Nikes will be bought. However, if the price of Nikes and the prices of all other competing shoes increase by some amount—say, \$5—consumers might buy more, less, or the same amount of Nikes.

Why the inverse relationship between price and quantity demanded? Let's look at three explanations, beginning with the simplest one:

- The law of demand is consistent with common sense. People ordinarily do buy more of a product at a low price than at a high price. Price is an obstacle that deters consumers from buying. The higher that obstacle, the less of a product they will buy; the lower the price obstacle, the more they will buy. The fact that businesses have "sales" is evidence of their belief in the law of demand.

- In any specific time period, each buyer of a product will derive less satisfaction (or benefit, or utility) from each successive unit of the product consumed. The second Big Mac will yield less satisfaction to the consumer than the first, and the third still less than the second. That is, consumption is subject to diminishing marginal utility. And because successive units of a particular product yield less and less marginal utility, consumers will buy additional units only if the price of those units is progressively reduced.

- We can also explain the law of demand in terms of income and substitution effects. The income effect indicates that a lower price increases the purchasing power of a buyer's money income, enabling the buyer



3.2 Law of Demand



3.3 Diminishing Marginal Utility