



AP[®] Macroeconomics 2000 Scoring Commentary

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**AP[®] MACROECONOMICS
2000 SCORING COMMENTARY**

Question 1

This long macro question was aimed at testing the student's understanding of aggregate analysis and, in particular, macroeconomic policy tools and their relative effectiveness. The student needed to understand the concept of full employment, as well as recession. Moreover, the student needed to understand the relative effectiveness of increasing government spending compared to reducing taxes. Also, the student needed to assess the impacts on imports and exports from an expansionary fiscal policy. Finally, the question tested the student's understanding of both the short-run and long-run impacts of an increase in net investment.

Often students made unsubstantiated assertions in part c, stating, for example, that "consumption increases" or "imports increase." These assertions received no credit. The question clearly demanded that the student "explain" the result. Students too frequently confuse "money" and "income." As a result, readers all stated that teachers and students need to show a greater concern for the proper use of macroeconomic aggregates. Also, many students confused the short-run and long-run impacts of the increase in net investment. Few students moved from the short-run increase in aggregate demand to the increase in the capital stock and the resulting increase in aggregate supply in the long run.

Question 2

This question was aimed at testing the student's understanding of the working of a foreign exchange market. In particular, the student needed to assess the impact on the value of the dollar from a change in tastes towards more French goods; then the student was asked to assess the market impact from an increase in real interest rates in the United States.

Students showed significant confusion concerning the working of the foreign exchange market, often confusing this market with the domestic money market. Many students wrote long responses that did not address the salient points of this question.

Question 3

Frequently students provided an incomplete or inaccurate graph in part a, which should have been a relatively simple question. As in question one, some students demonstrated confusion between money and income, labeling the horizontal axis of the money market in part a) "income." Also, students, not understanding the short-run nature of the question, too frequently shifted the AS curve in part c.

Finally, as in the past, readers felt that students did not pay sufficient attention to the correct labeling of the axes of their graphs. Also, as readers, we had the impression that some students taking the AP Macroeconomics Exam might have had only the AP Microeconomics course. Without having studied macroeconomics, a student is really not using her/his time well to take this exam. As always, we urge you to stress to students the importance of writing clear and neat responses that are sequenced with the different parts of the question.