

# AP<sup>®</sup> Microeconomics 2011 Scoring Guidelines Form B

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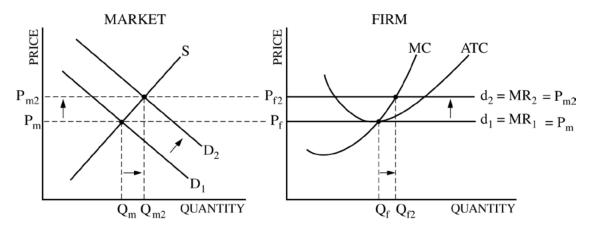
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## AP® MICROECONOMICS 2011 SCORING GUIDELINES (Form B)

### Question 1

**10 points** (3 + 1 + 2 + 2 + 2)



### (a) 3 points:

- One point is earned for a correctly labeled graph of the market showing a downward-sloping market demand curve, an upward-sloping market supply curve, and  $P_m$  and  $Q_m$ .
- One point is earned for showing the firm's profit-maximizing quantity,  $Q_f$ , at MC = MR with a horizontal demand curve.
- One point is earned for showing the firm's average total cost (ATC) curve tangent to its demand curve at  $O_f$ .

### (b) 1 point:

• One point is earned for stating that  $P_m$  is equal to  $P_f$ .

### (c) 2 points:

- One point is earned for showing a rightward shift of the market demand curve and showing  $P_{m2}$  and  $O_{m2}$ .
- One point is earned for showing the corresponding upward shift of the firm's demand curve and showing  $P_{12}$  and  $O_{12}$ .

### (d) 2 points:

- One point is earned for stating that the number of firms increases because the existence of shortrun profits attracts new firms to enter the industry.
- One point is earned for stating that the firm's ATC curve will shift upward.

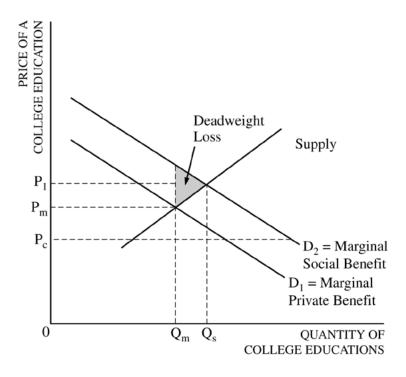
### (e) 2 points:

- One point is earned for stating that the long-run profit-maximizing price will be higher than P<sub>f</sub>.
- One point is earned for stating that the long-run profit-maximizing price will be lower than P<sub>12</sub>.

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### Question 2

## **6 points** (3 + 2 + 1)



### (a) 3 points:

- One point is earned for a correctly labeled market graph, showing the equilibrium price and quantity,  $P_m$  and  $O_m$ .
- $\bullet$  One point is earned for showing a MSB curve above a MPB curve and for showing the socially optimal quantity,  $\rm O_{\rm s}.$
- One point is earned for shading the area representing the deadweight loss.

### (b) 2 points:

- One point is earned for showing an effective (binding) price ceiling below P<sub>m</sub>.
- One point is earned for stating that the price ceiling will increase the deadweight loss, because providers will decrease the quantity of education offered.

### (c) 1 point:

• One point is earned for stating that the new equilibrium quantity will be greater than O<sub>m</sub>.

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### Question 3

## **5 points** (1 + 1 + 3)

- (a) 1 point:
  - One point is earned for identifying the profit-maximizing quantity of labor as 100 units.
- (b) 1 point:
  - One point is earned for identifying the wage rate TreeMart pays as \$10.
- (c) 3 points:
  - One point is earned for identifying the quantity of labor in a competitive labor market as 200 units.
  - One point is earned for identifying the quantity of labor, 150 units, given a minimum wage of \$12.5.
  - One point is earned for explaining that the MFC curve (or the supply curve for labor) becomes horizontal at the minimum wage up to a quantity of 150.