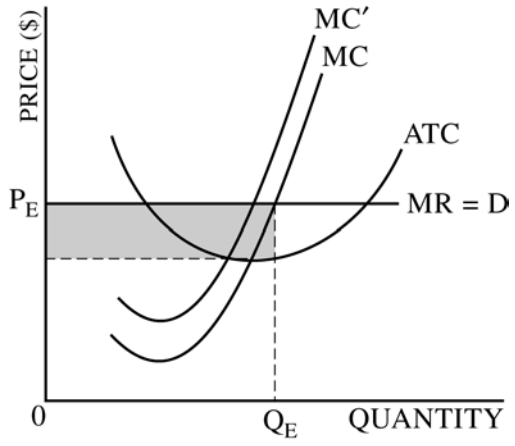
AP® MICROECONOMICS
2011 SCORING GUIDELINES

Question 2

6 points (3 + 1 + 2)

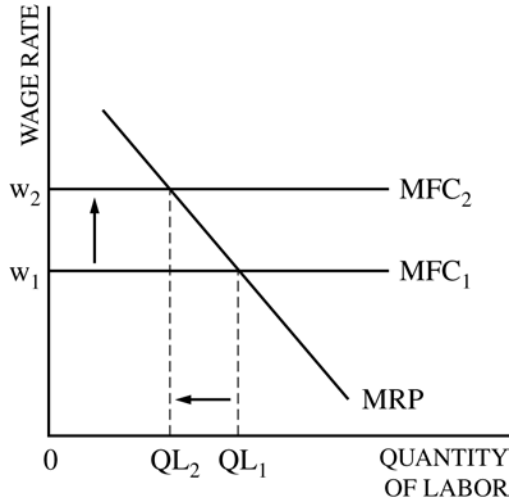


(a) 3 points:

- One point is earned for a correctly labeled graph with a horizontal demand curve at the equilibrium price, P_E.
- One point is earned for showing the equilibrium quantity, Q_E, at MR = MC.
- One point is earned for showing that ATC is below demand or MR at Q.

(b) 1 point:

- One point is earned for showing a leftward shift of the MC curve.



(c) 2 points:

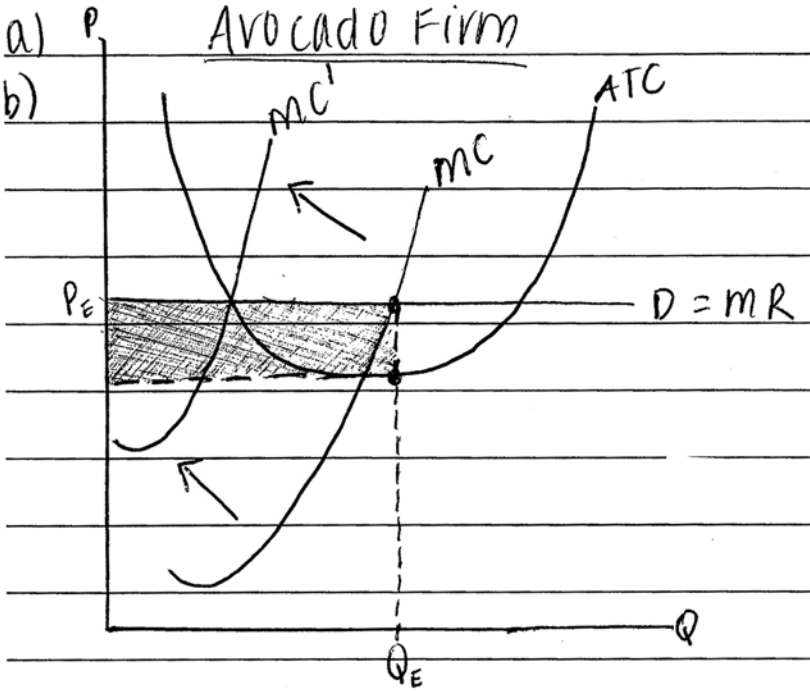
- One point is earned for drawing a correctly labeled graph with a horizontal MFC_1 curve at w_1 and a downward-sloping MRP curve and showing QL_1.
- One point is earned for shifting the MFC curve up to w_2 and showing the new equilibrium quantity of labor hired, QL_2, which is smaller than QL_1.

Write in the box the number of the question you are answering on this page as it is designated in the exam.

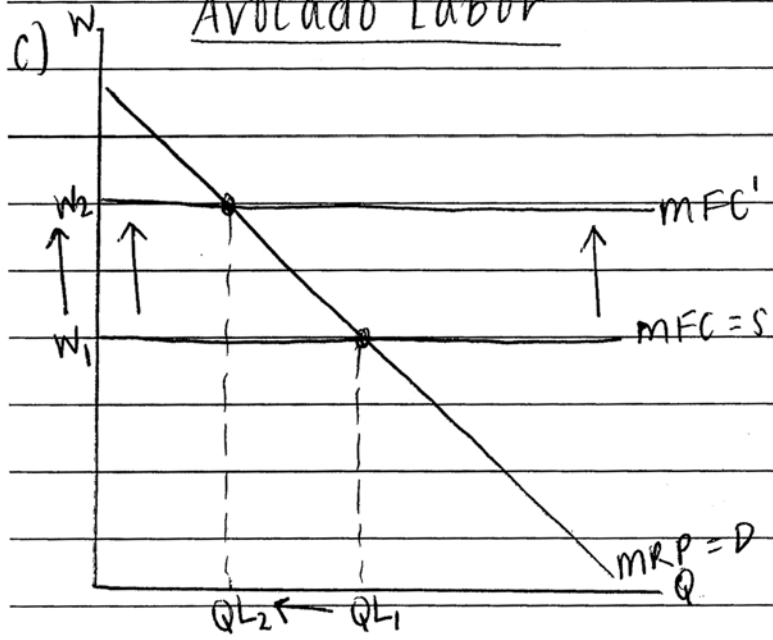
2A

a) Avocado Firm

b)



c) Avocado Labor

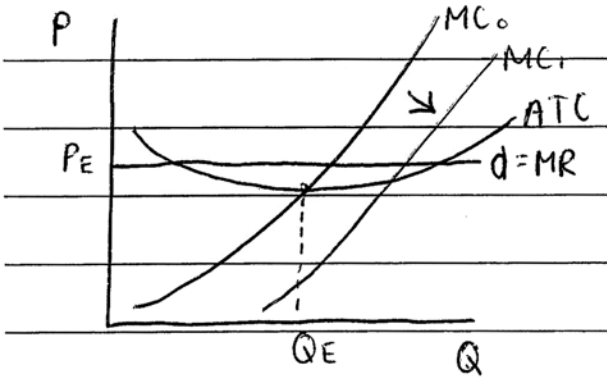


Question 2

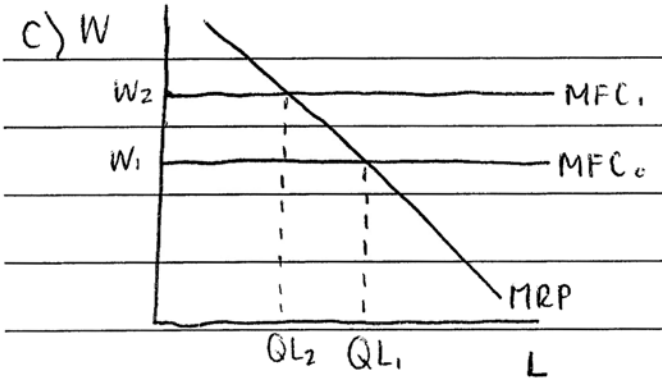
Write in the box the number of the question you are answering on this page as it is designated in the exam.

2B

a) Firm:



b) MC curve will shift right

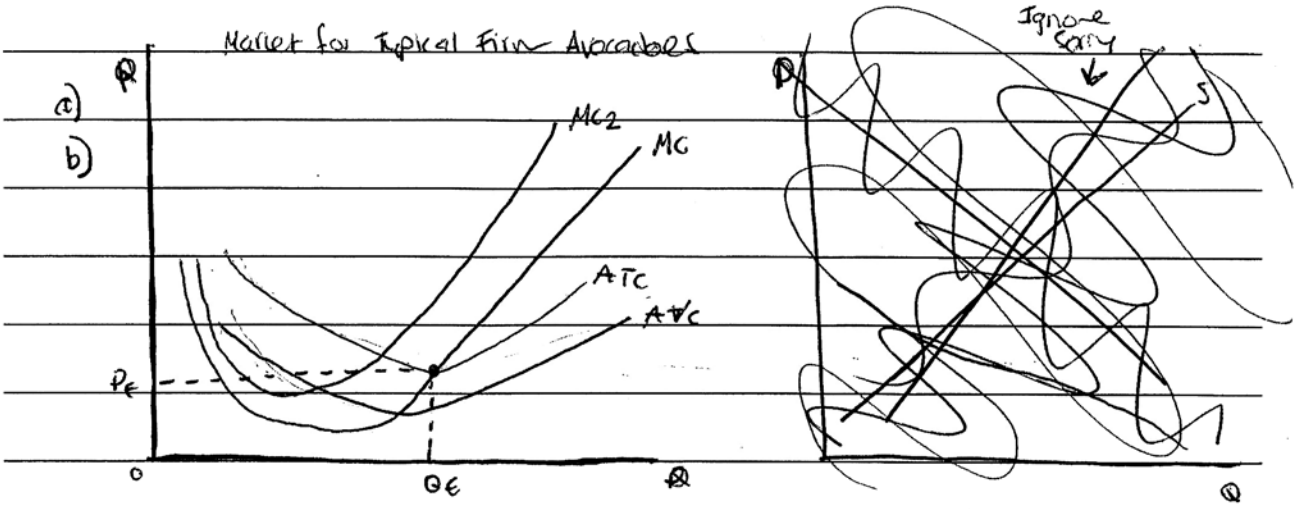


2

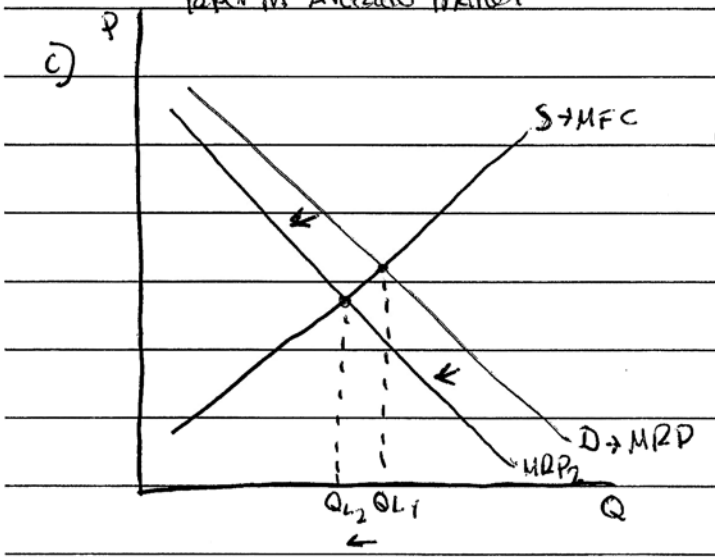
Write in the box the number of the question you are answering on this page as it is designated in the exam. 2C

a)

b)



c)



→ If wage rates increase labor will become more expensive, so demand will decline due to the higher costs, decreasing equilibrium quantity.

AP® MICROECONOMICS
2011 SCORING COMMENTARY

Question 2

Overview

This question tested students' ability to draw and work with models of perfectly competitive product and factor markets. Part (a) asked students to draw the graph for a representative firm in a competitive product market. Part (b) tested for an understanding of how changes in factor prices affect marginal cost. Part (c) asked students to draw and manipulate the graph of labor demand and supply for a representative firm.

Sample: 2A
Score: 6

The student answers all parts of the question correctly and so earned all 6 points.

Sample: 2B
Score: 4

In part (a) the student lost 1 point for failing to identify the correct Q_E and 1 point for an incorrect shift of the marginal cost curve.

Sample: 2C
Score: 1

The student earned 1 point in part (b) for a correct shift of the marginal cost curve.