

VII. Test-taking Tips

Once you have mastered all of the course material, you are ready to begin reviewing for the AP exam. Below is a description of the types of questions you will find on the exam, as well as tips and suggestions for how to answer these types of questions.

The Multiple-Choice Section

When you are taking the multiple-choice section of the exam, remember that you have 70 minutes to answer 60 questions; don't get stuck on any one question. Skip and return to a difficult question or make a guess if you have no idea how to answer it. Also, be very careful that you fill in the correct bubble for your answer (be especially careful if you do skip a question) and that each bubble is filled in neatly.

Unlike tests that you might take in a class, the AP exams do not use "all of the above," "none of the above" or "true/false" type questions. Instead, the multiple-choice questions you will encounter will come in five different formats: define or classify, cause and effect, calculate an answer, interpret a graph, and the I, II, III style. Each type of question is discussed below.

Define/Classify Format

This format asks you to simply identify or classify information. These are often the simplest questions and require that you have read and understood the material. Read through each question carefully, and then analyze the answer choices. Some of the answer choices will contain "correct" information, but they may not be relevant to the question being asked, so avoid the temptation to skim the question and look for the first "true" thing you see. Make sure the answer matches the question being asked.

Question: Which of the following is true when the production of a good results in a positive externality?

- A. The government must produce the good.
- B. The private market will produce too much of the good.
- C. The private market price will be too high.*
- D. The government must prevent production of the good.
- E. Private firms will not be able to earn profits.

Cause-and-Effect Format

The cause-and-effect format questions are quite popular on the AP Microeconomics exam and can be a real challenge unless you have a strategy. The strategy that works well for many successful students is to analyze a single column and see what distractors you can eliminate. For example, in the question below you are asked to determine which answer best describes what will happen to demand and equilibrium price and quantity in the market. If you know that the scenario presented will result in an increase in demand, then you can immediately eliminate answer choices A and B. If you also know that an increase in demand will increase quantity, then you can eliminate choice C and D. You have your answer and you did not even look at the other column.

Question: What is the effect on equilibrium price and quantity in the market for good Y if the price of a complement in consumption decreases?

Demand	Quantity	Price
A. Decrease	Increase	Decrease
B. Decrease	Decrease	Decrease
C. Increase	Decrease	Decrease
D. Increase	Decrease	Increase

Calculation

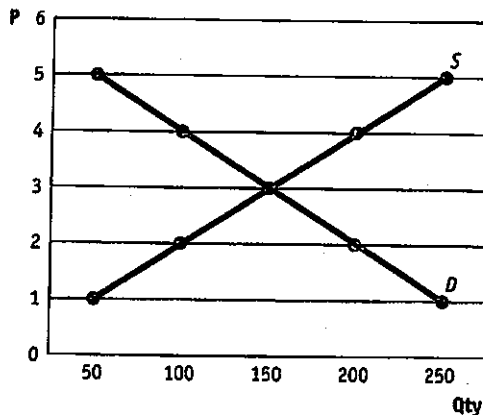
When answering calculation questions, pull out the relevant information from the question to use in your calculations. For example, in the question below income changes from 50 to 70 (you can drop the zeros to make it easier to calculate elasticity) and quantity demanded changes from 900 to 1100. Write these numbers down where you will complete your calculations so you don't have to keep rereading the questions to find the numbers you need. Eliminate any answers you know cannot be correct before you complete your calculations. For example, when you read the questions below, note that there is a positive relationship between income and the quantity purchased (quantity went up when income went up), which tells you that the income elasticity will be positive and allows you to exclude choices C and D.

Question: Eric's income increases from \$50,000 to \$70,000, and his purchases of good X increase from 900 to 1100. What is Eric's income elasticity of demand?

- A. 0.6*
- B. 1.67
- C. -0.6
- D. -1.67
- E. 0

Graphic Interpretation

AP economics exams will frequently ask you to refer to a graph to answer questions. These questions require you to understand what is shown on the graph provided. Pay close attention to the specific information provided on the graph—especially the labels on the axes of the graph—as you determine your answer.



Question: In the diagram above, an increase in quantity demanded is best shown as a

- A. shift of the demand curve to the right.
- B. shift of the supply curve to the right.
- C. shift of the demand curve to the left.
- D. leftward movement along the demand curve.
- E. rightward movement along the demand curve.*

I, II, III Format

When you answer this type of question, consider each option (I, II, and III) as a true/false question. Determine which is true and then select the answer that lists all of the ones you found to be true.

Question: Which of the following is a characteristic of monopolistic competition?

- I. New firms can enter the industry easily.
 - II. Products are homogeneous.
 - III. The firm's demand curve is perfectly elastic.
- A. I only*
 - B. II only
 - C. I, II and III
 - D. I and III
 - E. II and III

The Free-Response Section

The second section of the AP Economics exams is made up of free-response questions. The time allocated to the free-response section is broken down into two parts; a planning period and a writing period. The free-response section of the exam begins with a ten minute planning period in which you can read over the questions and map out your response on the **question sheet**. Note: the readers scoring your free response answers will not see anything written on the questions sheet. During the mandatory ten-minute 'reading' period, you should carefully read the questions. Use this time to plan your response by underlining the verbs in the questions. At the end of the planning period, you are then allowed 50 minutes to answer the free-response questions in the **answer booklet**. Make sure you use your time wisely by outlining your answers during the planning period and using graphs, symbols, and abbreviations where applicable. Note: only answers written in the answer book will be scored (i.e., answers written on the question sheet will not be graded).

Remember that someone will eventually read and score the answers that you write. The easier it is to find and follow your answers, the easier it is to give you points! Practice writing clear, concise, organized answers. Clearly label the question number in the box on the top of each answer booklet page that you use. Denote which part of the question you are answering as you write your answer. Provide a clear, organized answer to each part of the question. Use the scoring guides provided for the practice tests below as an example of a clear, complete, concise, organized response, and strive to use a similar format for your answer. But don't be concerned if you must answer questions out of order, cross out an answer and start again, include extraneous information, etc. Exam readers will do their best to award you the points that you deserve—it is just in your best interest to make that as easy as possible for them!

You should also make sure that you answer each part of each question to the best of your ability. Even if you are unsure of the correct answer, write something. You may actually know more than you think. Also, make sure that you answer each part of the question even when you think your answer on an earlier part may not be correct. Each part of a free-response question is scored independently, so an incorrect answer on one part of a question does not mean you can't receive points for a subsequent part.

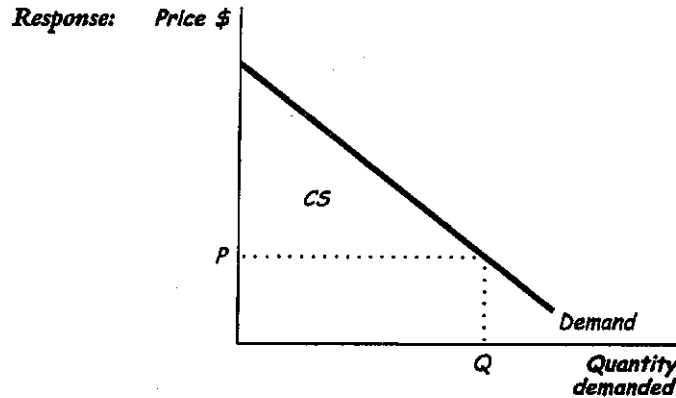
The first free-response section question is the longest and most comprehensive, and you should allocate roughly half of your time, about 25 minutes, to answering it. The second and third free-response questions are shorter and typically test a particular area of the course outline. You should allocate roughly a quarter of the time available, or about 12–13 minutes, to each of the shorter questions. Allocate and monitor your time carefully so that you are able to provide at least a basic response to each question. Each question usually has parts that require a simple "coin-flip" response, e.g., yes/no or increase/decrease. Make sure you take the time to at least answer these parts of every question. Under no circumstances should you leave a free-response question unanswered. Omission is a guarantee of no points and therefore probably no 5.

In the free-response section, read each question carefully. Pay close attention to what each question is specifically asking. Remember those verbs you underlined during the planning period? As you answer each part of each question, cross out the corresponding verb so that you

make sure you answer each part of the question. According to the experts, i.e., those who score your responses, one of the best ways to make sure you receive maximum points for your answer is to read the question and do *exactly* what it says. Below are examples of some of the phrases and terms used in free-response questions and the responses that should go with them.

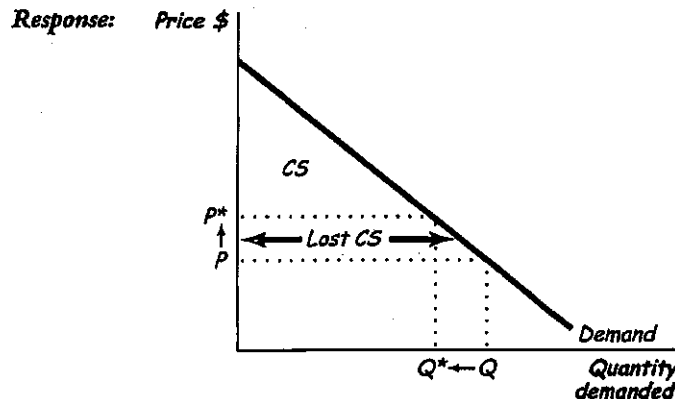
“Draw a correctly labeled graph” — Draw the required diagram and *correctly label* the axes and curves on the graph.

Question: (i) Draw a correctly labeled supply and demand graph. On your graph, indicate consumer surplus.



“Show” — This tells you to go back to a graph that you have previously drawn and clearly change that graph.

Question: (ii) Show the effect of an increase in price on the amount of consumer surplus shown in part (i).



“Identify” — Make an assertion based on the information given in the question.

Question: Identify the effect of a decrease in supply on price.

Response: Price increases.

“Explain” — Go beyond the assertion and describe why the assertion you made happened.

Question: Identify the effect of a decrease in supply on price. Explain.

Response: When supply decreases, the supply curve shifts to the left and the new equilibrium price is higher.

"List" — Make a list of items.

Question: List three examples of entry barriers.

Response: patents

economies of scale

ownership of resources

"Define" — Write a definition.

Question: Define marginal product.

Response: Marginal product is the additional output produced as a result of hiring an additional unit of an input.

"Calculate" — Do the math to find a numerical answer!!!

Question: If fixed costs are \$1000 and the average variable cost of producing 100 is \$5, what is the total cost of producing 100?

Response: $TC = TFC + TVC$. If AVC of producing 100 is \$5, then TVC is $\$5 \times 100 = \500 so $TC = 1000 + 500 = \$1500$ ← ANSWER!!!

VIII. Practice Tests

You should use the following sample tests to help you prepare for your AP Microeconomics exam. Allow yourself 70 minutes to complete the multiple-choice section without using a calculator or any outside resources. Starting in 2011, there is no penalty for guessing, so attempt each question. After you have completed the multiple-choice section, give yourself 10 minutes to plan your response to the three free-response questions. After your 10-minute planning period, you should complete the free-response questions within 50 minutes.

Answers and explanations along with scoring guidelines for the free-response section are at the end of this section.