

# AP Microeconomics Lesson Plan: Unit 2.8 & 2.9 Enrichment

## Lesson Plan Breakdown:

### Unit:

- AP Microeconomics Unit 2: *Supply and Demand*

### Section:

- Topic 2.8: Price Controls
- Topic 2.9: International Trade, Tariffs and Quotas

### Materials:

- Student handouts with graphing templates
- Case study summaries (Japan and U.S. agricultural markets)
- Digital collaboration tool (e.g., Google Docs, Google Slides, Canva)

### Time:

- One Block Period (90-100 minutes)

## Lesson Overview

This lesson explores how government interventions in markets, such as price controls, subsidies, and quotas, influence economic efficiency and social outcomes. Students will compare examples from the United States and Japan, focusing particularly on Japan's rice price supports, subsidies, quotas and tariffs. Through data analysis, graphing, and discussion, students will evaluate how culture and policy priorities shape market outcomes.

### Learning Objectives

- Explain how price controls, subsidies, tariffs and quotas create inefficiencies in markets.
- Illustrate these inefficiencies on supply and demand graphs.
- Compare and contrast examples of government interventions in the U.S. and Japan.
- Evaluate how cultural, political, and economic contexts influence policy design and outcomes.

### Essential Question

How do cultural and policy differences between the U.S. and Japan influence the ways governments intervene in markets — and what does that reveal about economic efficiency and equity?

## Lesson Outline

1. Warm-Up Prompt (10 minutes): 'Imagine the government sets a maximum price on rice to make it affordable for everyone. What might happen to farmers, consumers, and the market overall?'
  - Have student briefly refer to prior lessons about market interventions; listing economic outcomes and inefficiencies.
  - Transition to how both Japan and the U.S. have used price controls for different reasons and with different outcomes.
2. Direct Instruction (15 minutes): Review price ceilings, price floors, quotas and subsidies using supply and demand graphs. Then introduce Japan's rice market: government price supports and subsidies designed to ensure stability, food security, and rural cultural preservation. Contrast with U.S. agricultural price floors in corn or dairy markets.

3. Group Activity — The Rice Market Analysis (30 minutes): Students work in groups to model Japan's rice market under government price supports and compare it to a free-market scenario. Each group completes the following tasks:
  - Draw a market graph for rice under a price floor showing surplus, consumer surplus, producer surplus, and deadweight loss.
  - Research or read a provided summary about Japan's post-WWII rice price supports and modern reforms.
  - Discuss cultural and economic motivations for maintaining price supports (e.g., food security, rural tradition).
  - Compare with a similar U.S. agricultural example and note similarities and differences.
4. Group Presentations (10 minutes): Groups present their findings.
  - Share how each market intervention reflects different economic priorities (efficiency vs. equity).
  - Give arguments for protecting cultural industries despite economic inefficiencies
  - Give arguments for prioritizing economic efficiencies despite cultural values
5. Debrief and Reflection (10–15 minutes): Class discussion: Which country's interventions seem to prioritize efficiency versus equity? How do cultural values affect policy design? What trade-offs exist between market efficiency and social goals?

## Assessment

### Formative Assessment:

- Exit ticket — 'What is one insight you gained about Japan's economic policies?'

### Summative Assessment: FRQ-style prompt

- 'Using supply and demand analysis, explain how a government price floor in the agricultural market affects efficiency. Compare this policy's justification in Japan and the United States.'