

Course Outline for ECON 2
PRINCIPLES OF MACROECONOMICS
Effective: Fall 2017

I. CATALOG DESCRIPTION:

ECON 2 — PRINCIPLES OF MACROECONOMICS — 3.00 units

Economic analysis of the theory of income determination, including national income analysis, business cycles, the consumption function, the multiplier, fiscal policy, monetary policy, money and banking, the public debt, economic growth and development, comparative economic systems and international trade.

3.00 Units Lecture

Prerequisite

MATH 55 - Intermediate Algebra for BSTEM
 or

MATH 55B - Intermediate Algebra for STEM B
 and

ENG 104 - Integrated Reading and Writing II

Grading Methods:

Letter or P/NP

Discipline:

- Economics

	MIN
Lecture Hours:	54.00
Expected Outside of Class Hours:	108.00
Total Hours:	162.00

II. NUMBER OF TIMES COURSE MAY BE TAKEN FOR CREDIT: 1

III. PREREQUISITE AND/OR ADVISORY SKILLS:

Before entering the course a student should be able to:

- A. MATH55
- B. MATH55B
- C. ENG104

IV. MEASURABLE OBJECTIVES:

Upon completion of this course, the student should be able to:

- A. define scarcity and explain how it relates to choices that societies face
- B. define comparative advantage and show how it facilitates gains from trade
- C. define market economy and explain how market forces of supply and demand lead to efficient allocation of resources
- D. describe and analyze the economy using a variety of quantitative measures
- E. identify and analyze factors that contribute to economic growth around the world
- F. describe the monetary system and explain the role of money, credit and the Federal Reserve
- G. use macroeconomic models to explain short-run economic fluctuations
- H. demonstrate an ability to apply basic macroeconomic concepts to past and current economic issues

V. CONTENT:

(Representing at least 80% of course coverage)

- A. Principles of Economics
 - 1. How people make decisions
 - 2. How people interact
 - 3. How the Economy as a whole works
- B. Thinking like an Economist
 - 1. The Economist as scientist

- 2. The Economist as policy advisor
- 3. The Economist as scientist
- C. Interdependence and the Gains from Trade
 - 1. Comparative advantage: the driving force of specialization
 - 2. Applications of comparative advantage
- D. The Market Forces of Supply and Demand
 - 1. Markets and competition
 - 2. Demand
 - 3. Supply
 - 4. Supply and demand together
 - 5. How prices allocate resources
- E. Measuring a Nation's Income
 - 1. The measurement of Gross Domestic Product
 - 2. The components of GDP
 - 3. Real versus Nominal GDP
- F. Measuring the Cost of Living
 - 1. The Consumer Price Index
 - 2. Correcting economic variables for the effects of inflation
- G. Production and Growth
 - 1. Economic growth around the world
 - 2. Productivity: its role and determinants
 - 3. Economic growth and public policy
- H. Saving, Investment and the Financial System
 - 1. Financial institutions in the U.S. economy
 - 2. Saving and investment in the National Income Accounts
 - 3. The market for loanable funds
- I. Unemployment
 - 1. Identifying unemployment
 - 2. Causes and types of unemployment
- J. The Monetary System
 - 1. Types and functions of money
 - 2. The Federal Reserve System
 - 3. Banks and the money supply
- K. Money Growth and Inflation
 - 1. The classic theory of inflation
 - 2. The costs of inflation
- L. Aggregate Demand and Aggregate Supply
 - 1. Three key facts about economic fluctuations
 - 2. Explaining short-run economic fluctuations

VI. METHODS OF INSTRUCTION:

- A. **Lecture** - students should be ready to take detailed notes
- B. **Classroom Activity** - students may be required to complete in-class assignments to apply concepts they learned about
- C. **Discussion** - students will be encouraged to ask and answer questions
- D. **Research** - students may be expected to research selected macroeconomics topics to produce written papers and/or presentations

VII. TYPICAL ASSIGNMENTS:

- A. Students are expected to read assigned sections of the textbook before each class.
 - 1. Answer questions regarding each week's reading material(s)
 - 2. Ask questions that clear up any gaps in the student's understanding of the assigned reading material(s)
 - 3. Participate intelligently in answering other student's and the instructor's in-class questions
- B. Students are to complete a research project on a macroeconomic topic chosen from a list provided by an instructor
 - 1. Using print and online resources effectively, conduct a search by subject for relevant articles
 - 2. Note relevant information from acquired materials, analyze the information using basic macroeconomic concepts, and organize it in a logical order
 - 3. Present the information in form of a Power Point presentation or a term paper

VIII. EVALUATION:

A. **Methods**

- 1. Exams/Tests
- 2. Quizzes
- 3. Home Work

B. **Frequency**

- 1. Tests are scheduled based on the instructors' philosophy. Typically two tests are the minimum, including final examination administered at the end of the term.
- 2. Quizzes may be administered based on the instructor's philosophy.
- 3. Homework and other graded assignments, which may include research projects and/or papers, are administered based on the instructors' philosophy.

IX. TYPICAL TEXTS:

- 1. Mankiw, Gregory. *Principles of Macroeconomics*. 7th ed., Cengage Learning, 2015.
- 2. Hall, Robert, and Marc Lieberman. *Macroeconomics: Principles and Applications*. 6th ed., Cengage Learning, 2013.
- 3. Chiang, Eric, and Gerald Stone. *Core Macroeconomics*. 3rd ed., Worth Publishers, 2014.

X. OTHER MATERIALS REQUIRED OF STUDENTS:

- A. #2 pencil for tests
- B. Scantron forms for tests
- C. Computer/Internet access may be required