COURSE OUTLINE

ECO 111  Macroeconomics  15 Weeks
Course Number  Course Title  Length of Semester

3  3  0
Credits  Lecture Hours  Lab Hours

Catalog description: Analysis of the determinants of aggregate income, output, employment and price level under various market conditions. Includes national income and product account, consumption and investment theory, government stabilization via fiscal and monetary policy, macroeconomic impact of international trade and finance, and inflation-unemployment trade-off controversies.

Is course New, Revised, or Modified? Revised

Main Text:
Title: Economics
Author: McConnell and Bruce
Publisher: McGraw-Hill
Edition: Contact the MCCC Bookstore for the Latest Edition

Prerequisites:
ENG 101 and MAT-038 or MAT-044 with grade C or higher.

Revision date: Spring 2020  Course coordinator: Framarz_Khoushab

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Phone: 609-584-4800 ext. 3448
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Course Competencies/Goals

The aim is to equip students with an economic “tool kit” consisting of current macroeconomics theory for analyzing and explaining aggregate economic issues such as unemployment and inflation. Upon completion of the course, the student will be able to:

- Apply the theoretical model developed in lecture and problem solving techniques to understand real world phenomena. (GE 1, 2, 5 MCCC CS A, B)
- Explain the role of fiscal and monetary policy. (GE 1, 2, 5 MCCC CS A, B)
- Explain how the following aggregate economic variables under inflation GDP, unemployment, and labor force, are defined and measured. (GE 1, 2, 5 MCCC CS A, B)
- Explain how the Federal Reserve conducts monetary policy. (GE 1, 2, 5 MCCC CS A, B)
- Explain the main sources of economic growth and discuss the cost and benefit of economic growth. (GE 1, 2, 5 MCCC CS A, B)

Course-specific General Education Goals and Core Skills

Goal 1: Written and Oral Communication in English: Students will read, write, and listen actively, critically, and reflectively.

Goal 5: Students will critically evaluate behavioral or societal issues using theories and concepts from a social science perspective

Goal 2: Mathematics. Students will use appropriate mathematical and statistical concepts and operations to interpret data and to solve

Goal 8: Diversity. Students will understand the importance of a global perspective and culturally diverse people.

MCCC Core Skills

Goal A: Written and Oral Communication in English. Students will communicate effectively in speech and writing, and demonstrate proficiency in reading.

Goal B: Critical Thinking and Problem-solving. Students will use critical thinking and problem solving skills in analyzing information.
Unit 1: Introduction to Basic Economic Problems

- Scarcity and Production Possibility Model
- Macroeconomics and Microeconomics
- Supply and Demand
- Economic Systems
- Markets and the Individual Hand Doctrine

Learning Objectives:

1. To analyze the basic measures of the value of final output of goods and services on a yearly basis.

2. Study the problems of inflation and unemployment as they relate to the business cycle.

3. Gain an overview of macroeconomic theory.

Specific Objectives:
The student will be able to:

- Explain opportunity cost. (GE 1, 2, 5, 8 MCCC CS A, B)
- Define economics and distinguish between microeconomics and macroeconomic (GE 1, 2, 5, 8 MCCC CS A, B)
- Distinguish between quantity demand and what determines demand. (GE 1, 2, 5,8 MCCC CS A, B)
- Distinguish between quantity supplied and supply and what determines supply. (GE 1, 2, 5 MCCC CS A, B)
- Explain how supply and demand determine equilibrium price and quantity. (GE 1, 2, 5, 8 MCCC CS A, B)
- Explain the concepts of surplus and shortages. (GE 1, 2, 5,8 MCCC CS A, B)
- Demonstrate a graphical illustration of supply and demand and equilibrium price and quantity. (GE 1, 2, 5,8 MCCC CS A, B)
Unit 2: Measuring Economic Activity

- Measurements of Gross Domestic Product (GDP)
- Measurement of Unemployment
- Inflation

Learning Objectives:
The student will be able to calculate:

- GDP (GE 1, 2, 5, 8 MCCC CS A, B)
- NDP (GE 1, 2, 5, 8 MCCC CS A, B)
- NI (GE 1, 2, 5, 8 MCCC CS A, B)
- PI (GE 1, 2, 5, 8 MCCC CS A, B)
- DI (GE 1, 2, 5, 8 MCCC CS A, B)
- Apply the method of adjusting a given year’s GDP for price changes. (GE 1, 2, 5, 8 MCCC CS A, B)
- Explain the business cycle and its phases. (GE 1, 2, 5, 8 MCCC CS A, B)
- Explain unemployment and its types. (GE 1, 2, 5, 8 MCCC CS A, B)
- Explain inflation its types and impact. (GE 1, 2, 5, 8 MCCC CS A, B)

Unit 3: Theory of output, employment and income and the impact of fiscal policy

- Income-Consumption Relationship
- Aggregate Expenditure Models
- Aggregate Demand (AD), and Aggregate Supply (AS)
- Fiscal Policy

Learning Objectives:
The student will be able to:

- Explain, illustrate and analyze “modern employment theory” in a “private domestic economy”. (GE 1, 2, 5, 8 MCCC CS A, B)
• Examine the impact of government spending and taxes on income and employment

• Explain the influence of change in consumer or investment spending on equilibrium income and output.

• Use mathematical approach to calculating equilibrium level of income and output. (GE 1, 2, 5, MCCC CS A, B)

• Distinguish between discretionary fiscal policy and non-discretionary fiscal policy. (GE 1, 2, 5, 8 MCCC CS A, B)

• The concept of budget multiplier. (GE 1, 2, 5, 8 MCCC CS A, B)

• Aggregate supply (AS). (GE 1, 2, 5, 8 MCCC CS A, B)

Unit 4: The Monetary System and the Creation of Money

• Money And Its Function

• How Banks And Thrifts Create Money

• Federal Reserve And Monetary Policy

Learning Objectives:
The student will be able to:

• Explain the institutional framework of the US commercial banking system. (GE 1, 2, 5, 8 MCCC CS A, B)

• Explain the structure and functions of the Federal Reserve System (GE 1, 2, 5, 8 MCCC CS A, B)

• Mathematically illustrate the concept of a deposit expansion multiplier. (GE 1, 2, 5, MCCC CS A, B)

• By using the concept of the deposit-expansion multiplier mathematically demonstrating why the commercial banking system as a whole will act in the same fashion as a monopoly bank. (GE 1, 2, 5, MCCC CS A, B)

• Explain the monetary approach to economic equilibrium with particular attention given to the role at the income velocity of money. (GE 1, 2, 5, 8 MCCC CS A, B)

Unit 5: Problems and Controversies in Macroeconomics

• Inflation-Unemployment Relationship (Phillips Curve)

• Accounting for Growth
• The Productivity Acceleration, New Economy
• Public Debt
• Dispute Over Macroeconomic Theory

Learning Objective:
The student will be able to:

• Explain the difference between Keynesian and Monetarist approaches to economic stability (GE 1, 2, 5, 8 MCCC CS A, B)

• Explain the following aspects of the public debt (GE 1, 2, 5, 8 MCCC CS A, B)
  • the dimension of the debt
  • myths surrounding the public debt
  • real burden of the debt

Explain stagflation, Phillips curve, the accelerations view, rational expectations, hypothesis and supply side economics. (GE 1, 2, 5, 8 MCCC CS A, B)

Evaluation Procedure:

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GRADING

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Academic Integrity Statement:

Academic Integrity:

As per the student handbook, “A student will be guilty of violating academic integrity if he/she (a) knowingly represents the work of others as his/her own, (b) uses or obtains unauthorized assistance in the execution of academic work, or (c) gives fraudulent assistance to another student.” Students should read the Academic Integrity policy in the MCCC Rights and Responsibilities Student Handbook. Academic Dishonesty will result in failure of this course.

Any student who has special needs because of a disability is entitled to receive accommodations. Eligible students at Mercer County Community College are assured services under the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973.

If you believe you are eligible for services, please contact Arlene Stinson, the Director of Academic Support Services. Ms. Stinson’s office is LB221, and she can be reached at (609) 570-3525. James Kerney Campus students may contact Assistant Dean Donald Jones in KC216 or at (609) 570-3147.