

DELAWARE TECHNICAL & COMMUNITY COLLEGE
COLLEGEWIDE COURSE SYLLABUS

CAMPUS: Terry Campus
DEPARTMENT: Social Sciences
COURSE: ECO 111 Macroeconomics
INSTRUCTOR NAME: Telephone: Email:
PREREQUISITES: MAT 012, ENG 051, RDG 051
CO-REQUISITES: None
COURSE HOURS and CREDITS:3:0:3

COURSE DESCRIPTION:

This course is designed to instruct students in the basic principles of supply and demand as they impact on the American economy. It places special emphasis on those national policy decisions that re utilized to solve the problems of inflation and unemployment, such as Keynesian, monetarist, and supply side policy approaches. Also, the student explores other theoretical solutions and examines the effects of these policy decisions on the individual consumer.

TEXT: Miller, Student Value Edition for Economics Today: The Macroeconomics View. 15th edition, Prentice Hall.
MATERIALS: None
METHOD of INSTRUCTION: Campus Classroom
MANUALS: None
DISCLAIMER: None

CORE CURRICULUM COMPETENCIES (CCC)

(Approved by President George and President's Council 8/25/98; Rev. 4/27/06)

The graduate will be able to:

1. Communicate clearly and effectively both orally and in writing.
2. Demonstrate effective problem solving and reasoning skills.
3. Work effectively in groups of people from diverse backgrounds.
4. Demonstrate ethical and professional understanding and conduct.
5. Apply appropriate information literacy skills to locate, evaluate and use information effectively.
6. Use computer technology appropriate to the field.
7. Use scientific and mathematical reasoning appropriate to the technology.

The Core Curriculum Competencies apply to all Associate Degree programs at the College. These are incorporated into each curriculum either by a course or by being integrated into coursework. These competencies are incorporated into each program review employer survey.

COLLEGEWIDE CORE COURSE PERFORMANCE OBJECTIVES: (CCPO)

The student will be able to:

1. Define economics as a subject and differentiate macroeconomics from microeconomics. (CCC 1, 2, 8).
2. Explain why economics depends upon social-scientific principles. (CCC 1, 2, 8, 9)
3. Explain the problem of scarcity and the different methods human societies use to cope with it in allocating resources and making key economic decisions. (CCC 1, 2, 8).
4. Describe the roles of diminishing returns and increasing opportunity costs in delimiting the production possibilities of scarce resources. (CCC 1, 2, 8)
5. Describe the basic principles behind a market-based economy, and discuss how this differs from an economy based on the command system (CCC 1, 2, 8)
6. Explain the role and importance of specialization and trade in achieving economic efficiency and optimal consumption possibilities. (CCC 1, 2, 8)
7. Describe the laws of demand and supply, and explain how the market forces of demand and supply interact to produce the pricing mechanism. (CCC 1, 2, 7, 8, 9)
8. Describe the business cycle and the history of efforts to explain its behavior. (CCC 1, 2, 8, 9)
9. Extrapolate the principles of demand and supply to the aggregate level to discuss the relationship between real GDP and the price level, and evaluate the principal dimensions of the national economy, utilizing the aggregate supply and demand model. (CCC 1, 2, 7, 8, 9)
10. Identify and evaluate the key macroeconomic problems and challenges, such as unemployment, inflation, and growth, and explain how fiscal and monetary policies are utilized to address these problems and challenges. (CCC 1, 2, 7, 8, 9)
11. Describe the chief components of the monetary system and the principal policies and tools of monetary policy. (CCC 1, 2, 7, 8, 9)

12. Summarize the principal factors contributing to the federal budget deficits or surpluses and the federal debt, and evaluate the prevailing arguments about their probable consequences. (CCC 1, 2, 7, 8, 9)
13. Discuss global trade and other contemporary global economic issues as they impact on the U. S. economy, and vice-versa. (CCC 1, 2, 8)

MEASURABLE PERFORMANCE OBJECTIVES: (MPO)

The student will be able to:

1. Define economics as a subject and differentiate macroeconomics from microeconomics.
 - 1.1 *Define the study of economics.*
 - 1.2 *Define macroeconomics, and differentiate it from microeconomics.*
2. Explain why economics depends upon social-scientific principles.
 - 2.1 *Identify the major assumptions that economists make about human (economic) behavior.*
 - 2.2 *Discuss some of the major obstacles and pitfalls in economics.*
 - 2.3 *List major social-scientific principles and explain their influence on economics.*
3. Explain the problem of scarcity and the different methods human societies use to cope with it in allocating resources and making key economic decisions.
 - 3.1 *Define the economic problem of scarcity.*
 - 3.2 *Identify various methods used to cope with "scarcity" and the allocation of resources.*
 - 3.3 *Explain how "scarcity" effects key economic decisions.*
4. Describe the roles of *diminishing returns* and *increasing opportunity costs* in delimiting the production possibilities of scarce resources.
 - 4.1 *Give examples of models used to explain the roles involved in delimiting the production possibilities of scarce resources.*
 - 4.2 *Define diminishing returns and increasing opportunity costs.*
 - 4.3 *Explain how 4.2 effects the production possibilities of scarce resources.*
 - 4.4 *Briefly describe the role of technological change and capital accumulation in economic growth.*

5. Describe the basic principles behind a market-based economy, and discuss how this differs from an economy based on the command system.
 - 5.1 *Name and describe major categories of resources; give examples in each case.*
 - 5.2 *Describe the economic processes of production, distribution, and consumption.*
 - 5.3 *Explain briefly why a country's standard of living depends on its ability to produce goods and services.*
 - 5.4 *Describe and differentiate market systems, command systems, and mixed economies.*
 - 5.5 *Name and describe the two key institutions which help organize economic activity in a market economy.*
 - 5.6 *Define what a market is.*
 - 5.7 *Describe what market failure is and discuss why government intervention may sometimes be desirable.*
 - 5.8 *Summarize how a market-based economy functions.*

6. Explain the role and importance of specialization and trade in achieving economic efficiency and optimal consumption possibilities.
 - 6.1 *Define specialization.*
 - 6.2 *Define and differentiate the concepts of comparative advantage and absolute advantage.*
 - 6.3 *Explain why comparative advantage is much more important than absolute advantage for determining how countries should specialize and trade with each other.*
 - 6.4 *Discuss how, through specialization according to comparative advantage and trade, two people (or two countries) can consume greater amounts than their production possibilities would allow.*

7. Describe the laws of demand and supply, and explain how the market forces of demand and supply interact to produce the pricing mechanism.
 - 7.1 *Discuss the laws of demand and supply.*
 - 7.2 *Explain why the law of demand operates the way it does.*
 - 7.4 *Describe how both a supply schedule and a supply curve are used to show the demand for something.*
 - 7.5 *Describe how market supply is derived from supply at the individual level.*
 - 7.6 *Explain what causes changes (shifts) in the supply curve for a product.*
 - 7.7 *Explain why price changes have a different effect on a supply curve than changes in any of the other supply determinants.*
 - 7.8 *Explain how and why equilibrium occurs between demand and supply in markets.*

- 7.9 *Demonstrate the use of demand/supply curves to represent the interaction of the forces of demand and supply and the pricing mechanism, both before and after changes in market demand and/or supply.*
8. Describe the business cycle and the history of efforts to explain its behavior.
- 8.1 *Describe the "laissez-faire" or classical view of macroeconomics.*
- 8.2 *Trace the history of efforts to explain the business cycle.*
9. Extrapolate the principles of demand and supply to the aggregate level to discuss the relationship between real GDP and the price level, and evaluate the principal dimensions of the national economy, utilizing the aggregate supply and demand models.
- 9.1 *Define gross domestic product (GDP).*
- 9.2 *Identify and describe the four major categories of the expenditure approach to measuring GDP.*
- 9.3 *Describe the relationship between the expenditure and income approaches to measuring GDP.*
- 9.4 *Differentiate real vs. nominal GDP.*
- 9.5 *Describe the purpose and application of the GDP deflator.*
- 9.6 *Discuss the relationship between GDP and economic welfare.*
10. Identify and evaluate the key macroeconomic problems and challenges, such as unemployment, inflation, and growth, and explain how fiscal and monetary policies are utilized to address these problems and challenges.
- 10.1 *Define real GDP and describe its relationship to economic growth.*
- 10.2 *Differentiate potential GDP from real GDP.*
- 10.3 *Describe how inflation is measured using the Consumer Price Index.*
- 10.4 *Describe how unemployment is officially measured in the United States.*
- 10.5 *Explain why unemployment occurs.*
- 10.6 *Discuss the important aspects of the demographics of unemployment.*
- 10.7 *Identify and describe the major types of unemployment.*
- 10.8 *Define fiscal policy.*
- 10.9 *Identify and describe the key institutions and laws that are involved in U.S. fiscal policy at the national level.*
- 10.10 *Define monetary policy.*
- 10.11 *Identify how fiscal policies are used to address unemployment, inflation, and growth.*
- 10.12 *Identify how monetary policies are used to address unemployment, inflation, and growth.*
- 10.13 *Describe the major trends in monetary policy by the "Fed" over the past several decades.*

11. Describe the chief components of the monetary system and the principal policies and tools of monetary policy.
 - 11.1 *Describe the major functions/characteristics of money.*
 - 11.2 *Differentiate currency from checking deposits.*
 - 11.3 *Define liquidity and describe how it differentiates different parts of the money supply.*
 - 11.4 *Name and describe the different types of financial intermediaries.*
 - 11.5 *Describe the process by which money is created, using the concepts fractional reserve banking, reserve ratio, required reserves, excess reserves, and the money multiplier.*
 - 11.6 *Describe the relationship between money, real GDP, and the price level.*
 - 11.7 *Describe the structure of the Federal Reserve System.*
 - 11.8 *Identify and describe the three major monetary policy tools used by the Federal Reserve Board of Governors to influence macroeconomic performance.*
 - 11.9 *Identify factors that influence the demand for money.*
 - 11.10 *Explain how interest rates are determined in the money market.*

12. Summarize the principal factors contributing to the federal budget deficits or surpluses and the federal debt, and evaluate the prevailing arguments about their probable consequences.
 - 12.1 *Discuss the relationship between fiscal policy and the existence of budget deficits and budget surpluses.*
 - 12.2 *Describe the recent history of federal budget surpluses versus deficits in the United States.*
 - 12.3 *Differentiate federal budget deficits and the federal debt.*

13. Discuss global trade and other contemporary global economic issues as they impact on the U.S. economy, and vice-versa.
 - 13.1 *Discuss the importance of international trade to the United States economy.*
 - 13.2 *Differentiate imports from exports, and show how they relate to the balance of trade.*
 - 13.3 *Identify several of the largest trading partners in the United States and describe the U.S. trade situation overall.*
 - 13.4 *Define and differentiate free trade and restricted trade.*
 - 13.5 *Name and describe major types of trade restrictions.*

EVALUATION CRITERIA:

Students will demonstrate proficiency on all Measurable Performance Objectives at least to the 75% level. The final course grade will be derived from:

Examinations: (MPOs 1-13)**70%**

You will complete three to six examinations. The exams may contain a variety of question types including multiple choice, matching, true/false, short answer, and essay. The questions will reflect the competencies within this course syllabus. You are expected to make up any missed exams within one week of your return to class, and to complete retests within the time parameters and guidelines of your instructor. Make-up exams may not be in the same format as the scheduled exam. You must contact the instructor for details as to where and when to complete the make-up exam.

Project/Paper: (MPOs 1-13)**20%**

You will submit a project paper to consist of a macro-economic summary and analysis of an economic issue of current interest. The topic must be approved by the instructor, be 3-5 pages, typed and doubled spaced with one inch margins and a font no larger than 12.

Participation: (MPOs 1-13)**10%**

You will demonstrate active involvement in classroom activities. The homework and activities may include, but not be limited to announced and unannounced quizzes, in-class activities, homework, and text-based assignments, and one or more web-based activities. These activities may change from semester to semester and will be scheduled at the discretion of the instructor.

See Measurable Performance Objectives for detailed expectations and requirements.

Grades will be computed using the following scale:

92 - 100	= A
83 - 91	= B
75 - 82	= C
0 - 74	= R

Students should refer to the Student Handbook for information on Academic Standing Policy, Academic Honesty Policy, Student Rights and Responsibilities, and other policies relevant to their academic progress.