

COURSE TITLE:	Principles of Macroeconomics
COURSE NUMBER:	ECON – 205 OL
CREDIT HOURS:	(3)
INSTRUCTOR:	Carolyn Nelson
OFFICE LOCATION:	Weinberg Hall, Room 125
OFFICE HOURS:	As Posted
TELEPHONE:	620-251-7700, ext. 2063
E-MAIL:	<a href="mailto:carolynn@coffeyville.edu">carolynn@coffeyville.edu</a>
REQUIRED TEXT:	Economics, 17 <sup>th</sup> Edition, McConnell/Brue McGraw-Hill/Irwin Publishing
COURSE DESCRIPTION:	Macroeconomic analysis. Topics include contemporary issues such as inflation, unemployment, economic growth and how public policy deals with them.
EXPECTED LEARNER OUTCOMES:	<p><u>Part I – Economic History</u> Discuss the American Economy from the 19<sup>th</sup> Century thru the New Millennium.</p> <p><u>Part II – Macroeconomic Foundations</u></p> <ol style="list-style-type: none"> <li>1. Discuss Resource Utilization.</li> <li>2. Define and graph supply and demand.</li> <li>3. Identify and discuss Mixed Economies.</li> </ol> <p><u>Part III – Gross Domestic Product</u> Discuss the sectors that determine GDP.</p> <ol style="list-style-type: none"> <li>1. Discuss the Household-Consumption factor including propensity to consume and propensity to save.</li> <li>2. Define the Business-Investment sector. List the types of business forms and discuss what determines the level of investment.</li> <li>3. Identify the Government sector including types of taxes and the redistribution of income.</li> <li>4. Discuss the Export-Import factor including world trade agreements.</li> </ol> <p><u>Part IV – Unemployment and Inflation</u></p> <ol style="list-style-type: none"> <li>1. Compute the unemployment rate.</li> <li>2. Define types of unemployment.</li> <li>3. Define inflation.</li> <li>4. Discuss the Consumer Price Index.</li> </ol> <p><u>Part V – Fiscal Policy and the Public Debt</u></p> <ol style="list-style-type: none"> <li>1. Discuss the multiplier and its applications.</li> </ol>

	<ol style="list-style-type: none"> <li>2. Contrast the public debt to the public deficit.</li> <li>3. Define the deficit dilemma.</li> </ol> <p><u>Part VI – The Federal Reserve and Monetary Policy</u></p> <ol style="list-style-type: none"> <li>1. Define the Federal Reserve System</li> <li>2. Discuss the tools of Monetary Policy including the discount rate and reserve requirements.</li> <li>3. Identify the Monetary Control Act of 1980 and the Banking Act of 1999.</li> </ol>																		
LEARNING TASKS & ACTIVITIES:	Course quizzes required after every chapter.																		
ASSESSMENT OF OUTCOMES:	<p>Exams use conceptual questions to test the student’s comprehension and application of economic concepts. While there is some new vocabulary to master, the emphasis of the course is on analytical thinking and conceptual understanding. The exam format will be a combination of multiple choice and fill in the blank.</p> <p>Grades will be based on the following:</p> <table style="margin-left: 20px;"> <tr> <td>Exams</td> <td>60%</td> </tr> <tr> <td>Daily Work</td> <td><u>40%</u></td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </table> <table style="margin-left: 20px;"> <thead> <tr> <th>Grade</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>100 – 90%</td> </tr> <tr> <td>B</td> <td>89 – 80%</td> </tr> <tr> <td>C</td> <td>79 – 70%</td> </tr> <tr> <td>D</td> <td>69 – 60%</td> </tr> <tr> <td>F</td> <td>59 - 0 %</td> </tr> </tbody> </table> <p><b><u>Academic Honesty:</u></b>  <b>Absolutely no tolerance!</b></p> <p>Each student is expected to do his or her own work. Appropriate action will be taken on any student who is found borrowing another student’s work; this may include receiving a failing grade, being dropped from the class or being placed on academic probation.</p>	Exams	60%	Daily Work	<u>40%</u>	Total	100%	Grade	Percentage	A	100 – 90%	B	89 – 80%	C	79 – 70%	D	69 – 60%	F	59 - 0 %
Exams	60%																		
Daily Work	<u>40%</u>																		
Total	100%																		
Grade	Percentage																		
A	100 – 90%																		
B	89 – 80%																		
C	79 – 70%																		
D	69 – 60%																		
F	59 - 0 %																		
THIS SYLLABUS IS SUBJECT TO																			

REVISION WITH PRIOR NOTICE TO THE STUDENT BY THE INSTRUCTOR.	
---	--

## **PRINCIPLES OF MACROECONOMICS COMPETENCIES**

### **I. ECONOMIC HISTORY**

DISCUSS THE AMERICAN ECONOMY FROM THE 19 <sup>TH</sup> CENTURY THRU THE NEW MILLENNIUM
---

1. Define the agricultural economy.
2. Discuss the Great Depression and policies that brought America out of it.
3. Discuss presidential economic policies.

### **II. MACROECONOMIC FOUNDATIONS**

DISCUSS RESOURCE UTILIZATION
------------------------------

4. Define scarcity and opportunity cost.
5. Graph production possibility curve.

DEFINE AND GRAPH SUPPLY AND DEMAND
------------------------------------

6. Define supply and discuss the affect of price changes.
7. Define demand and discuss the affect of price changes.
8. Determine what equilibrium means.

IDENTIFY AND DISCUSS MIXED ECONOMIES
--------------------------------------

9. Discuss characteristics of the market system.
10. Identify the five fundamental questions that should be asked.
11. Define and demonstrate the “invisible hand”.
12. Discuss the Circular Flow Model.

### **III. GROSS DOMESTIC PRODUCT**

DISCUSS THE HOUSEHOLD-CONSUMPTION FACTOR INCLUDING PROPENSITY TO CONSUME AND PROPENSITY TO SAVE
--

13. Analyze consumer spending versus consumer saving.

14. Discuss the multiplier effect and calculate spending levels.

**DEFINE THE BUSINESS-INVESTMENT SECTOR**

- 15. Discuss legal forms of business.
- 16. Revisit the Circular Flow Model.

**IDENTIFY THE GOVERNMENT SECTOR INCLUDING TYPES OF TAXES AND THE REDISTRIBUTION OF INCOME.**

- 17. Discuss transfer payments and government spending.
- 18. Define types of taxes.

**DISCUSS THE EXPORT-IMPORT FACTOR INCLUDING WORLD TRADE AGREEMENTS**

- 19. Discuss America's role in World Trade.
- 20. Define specialization and comparative advantage.
- 21. Discuss Free Trade Zones.

**IV. UNEMPLOYMENT AND INFLATION**

**COMPUTE THE UNEMPLOYMENT RATE.**

- 22. Calculate the unemployment rate given the definition of unemployment.

**DEFINE TYPES OF UNEMPLOYMENT**

- 23. Discuss the discouraged worker.
- 24. Determine what is necessary to classify a worker as unemployed.

**DEFINE INFLATION**

- 25. Determine what factors can be changed to lower this rate.
- 26. Discuss who is affected by inflation.
- 27. Determine the affect inflation has on output.

**DISCUSS THE CONSUMER PRICE INDEX**

- 28. Define the consumer price index and discuss who keeps this index.
- 29. Review the index over a period of time.

## **V. FISCAL POLICY AND THE PUBLIC DEBT**

DISCUSS THE MULTIPLIER AND ITS APPLICATIONS.

30. Discuss government spending and the affect on the economy.
31. Evaluate fiscal policy by applying the multiplier.
32. Model expansionary fiscal policy to contractionary fiscal policy.

CONTRAST THE PUBLIC DEBT TO THE PUBLIC DEFICIT.

33. Define the public debt versus the public deficit.

DEFINE THE DEFICIT DILEMMA

34. Discuss ownership of the public debt.

## **VI. THE FEDERAL RESERVE AND MONETARY POLICY**

DEFINE THE FEDERAL RESERVE SYSTEM.

35. Discuss the Federal Reserve System
36. Define when it was established and why.

DISCUSS THE TOOLS OF MONETARY POLICY INCLUDING THE DISCOUNT RATE AND RESERVE REQUIREMENTS

37. Discuss monetary policy and what tools are required are used to expand or contract the money supply.
38. Define the discount rate and how it is used.
39. Discuss reserve requirements and how they are used.

IDENTIFY THE MONETARY CONTROL ACT OF 1980 AND THE BANKING ACT OF 1999

40. Discuss legislation that has changed banking in the United States.