

Fundamentals of Economics

Course Design

2001-2002

Course Information

Organization:	EASTERN ARIZONA COLLEGE
Division:	Business
Course Number:	BUS 121
Title:	Fundamentals of Economics
Credits:	3
Developed by:	Kathleen Bailey
Lecture/Lab Ratio:	Lecture 3 hours
Transfer Status:	Transfers as an Elective to ASU, UofA, and NAU
Extended Registration	
Class:	No
CIP Code:	45.0601
Assessment Mode:	Pre/Posttest (25 Questions, 25 Points)
Semester Taught:	Offered upon request
Gen. Ed. Area:	AAS
Separate Lab:	No
Awareness Course:	No
Intensive Writing	
Course:	No
Prerequisites:	1. None
Educational Value:	Provides a basic understanding of economics which is necessary in order to participate as a citizen, consumer, and active voter within a democratic, free-market system.
Description:	A one-semester survey to acquaint the student with selected economic principles and their relationship to current economic problems. May fulfill one semester requirement in economics.
Textbooks:	Marilu Hurt McCarty. <i>Dollars and Sense</i> . 8th edition. Addison-Wesley, 1997. Marilu Hurt McCarty. <i>Study Guide to Accompany Dollars and Sense</i> 8th edition. Addison-Wesley, 1997.
Supplies:	None

Competencies and Performance Standards

1. Explain the basic economizing problem of scarce resources and unlimited wants.			
<i>Domain-- Cognitive</i>	<i>Level-- Analysis</i>	<i>Importance-- Important</i>	<i>Difficulty-- Medium</i>
Criteria-- Performance will be satisfactory when: <ul style="list-style-type: none"> • learner is able to list the four categories of resources and payments. • learner is able to create a production possibilities curve from a production possibilities table. • learner is able to explain the connection between scarce resources, opportunity cost, and the production possibilities model. 	Conditions-- Competence will be demonstrated: <ul style="list-style-type: none"> • on homework using the study guide and textbook. • in class on a 100-point exam without the use of resources. 	Learning Objectives: <ol style="list-style-type: none"> Identify the four resource categories. Create a production possibilities table. Create a production possibilities curve. 	
2. Construct the basic supply and demand curves in a purely competitive market model.			
<i>Domain-- Cognitive</i>	<i>Level-- Application</i>	<i>Importance-- Essential</i>	<i>Difficulty-- Medium</i>
Criteria-- Performance will be satisfactory when: <ul style="list-style-type: none"> • learner is able to graph demand curves in a purely competitive market model. • learner is able to graph supply curves in a purely competitive market model. • learner is able to graph supply and demand together and determine equilibrium price and quantity in a purely competitive market model. 	Conditions-- Competence will be demonstrated: <ul style="list-style-type: none"> • on homework using the study guide and textbook. • in class on a 100-point exam without the use of resources. 	Learning Objectives: <ol style="list-style-type: none"> Graph a demand curve in a purely competitive market model. Graph a supply curve in a purely competitive market model. Graph supply and demand together and determine equilibrium price and quantity in a purely competitive market model. 	
3. Explain the major achievements in economic history.			
<i>Domain-- Cognitive</i>	<i>Level-- Analysis</i>	<i>Importance-- Important</i>	<i>Difficulty-- Medium</i>
Criteria-- Performance will be satisfactory when: <ul style="list-style-type: none"> • learner is able to explain the economic beliefs of the Middle Ages. • learner is able to explain the economic beliefs of Adam Smith. • learner is able to explain Say's Law. • learner is able to explain the basics of Marxism. • learner is able to explain the basics of Keynesian economics. 	Conditions-- Competence will be demonstrated: <ul style="list-style-type: none"> • on homework using the study guide and textbook. • in class on a 100-point exam without the use of resources. 	Learning Objectives: <ol style="list-style-type: none"> Explain the economic beliefs of the Middle Ages. Explain the economic beliefs of Adam Smith. Explain Say's Law. Explain the basics of Marxism. Explain the basics of Keynesian economics. 	

4. Explain the basic workings of the labor market in the United States.			
<i>Domain-- Cognitive</i>	<i>Level-- Analysis</i>	<i>Importance-- Important</i>	<i>Difficulty-- Medium</i>
Criteria-- Performance will be satisfactory when: <ul style="list-style-type: none"> • learner is able to calculate the number of workers to be hired in a given market with a given wage rate. • learner is able to describe the history of labor unions in the United States. 	Conditions-- Competence will be demonstrated: <ul style="list-style-type: none"> • on homework using the study guide and textbook. • in class on a 100-point exam without the use of resources. 	Learning Objectives: <ol style="list-style-type: none"> Calculate the number of workers to be hired in a given labor market with a given wage rate. Describe the history of labor unions in the United States. 	
5. Describe the workings of the United States stock market.			
<i>Domain-- Cognitive</i>	<i>Level-- Comprehension</i>	<i>Importance-- Important</i>	<i>Difficulty-- Medium</i>
Criteria-- Performance will be satisfactory when: <ul style="list-style-type: none"> • learner is able to find background material on a company listed on the stock market. • learner is able to interpret a stock market listing. • learner is able to figure profit or loss based on the buying and selling of stock shares. 	Conditions-- Competence will be demonstrated: <ul style="list-style-type: none"> • through a stock market project by following a stock and its price changes over a period of two weeks. • in class on a 100-point exam without the use of resources. 	Learning Objectives: <ol style="list-style-type: none"> Research background material on a company listed on the stock market. Interpret a stock market listing. Figure profit or loss based on the buying and selling of stock shares. 	
6. Calculate national income accounts.			
<i>Domain-- Cognitive</i>	<i>Level-- Application</i>	<i>Importance-- Important</i>	<i>Difficulty-- Medium</i>
Criteria-- Performance will be satisfactory when: <ul style="list-style-type: none"> • learner is able to calculate the Gross Domestic Product using the expenditures approach. • learner is able to calculate NDP, National Income, Personal Income, and Disposable Income. 	Conditions-- Competence will be demonstrated: <ul style="list-style-type: none"> • on homework using the study guide and textbook. • in class on a 100-point exam without the use of resources. 	Learning Objectives: <ol style="list-style-type: none"> Calculate Gross Domestic Product using the expenditures approach. Calculate NDP, National Income, Personal Income, and Disposable Income. 	
7. Explain the instability within the macroeconomy.			
<i>Domain-- Cognitive</i>	<i>Level-- Synthesis</i>	<i>Importance-- Important</i>	<i>Difficulty-- Medium</i>
Criteria-- Performance will be satisfactory when: <ul style="list-style-type: none"> • learner is able to list and describe the four phases of the business cycle. • learner is able to list and describe the four types of unemployment. • learner is able to calculate the rate of unemployment. • learner is able to calculate the rate of inflation. 	Conditions-- Competence will be demonstrated: <ul style="list-style-type: none"> • on homework using the study guide and textbook. • in class on a 100-point exam without the use of resources. 	Learning Objectives: <ol style="list-style-type: none"> List and describe the four phases of the business cycle. List and describe the four types of unemployment. Calculate the rate of unemployment. Calculate the rate of inflation. 	

8. Explain government finance and fiscal policy.			
<i>Domain-- Cognitive</i>	<i>Level-- Analysis</i>	<i>Importance-- Important</i>	<i>Difficulty-- Medium</i>
Criteria-- Performance will be satisfactory when: <ul style="list-style-type: none"> • learner is able to describe the basics in the United States tax system. • learner is able to describe the Keynesian Revolution in fiscal policy. • learner is able to define federal deficit and debt. 	Conditions-- Competence will be demonstrated: <ul style="list-style-type: none"> • on homework using the study guide and textbook. • in class on a 100-point exam without the use of resources. 	Learning Objectives: <ol style="list-style-type: none"> Describe the basics in the United States tax system. Describe the Keynesian Revolution in fiscal policy. Define federal deficit and debt. 	
9. Describe the workings of the United States banking system and monetary policy.			
<i>Domain-- Cognitive</i>	<i>Level-- Comprehension</i>	<i>Importance-- Essential</i>	<i>Difficulty-- Medium</i>
Criteria-- Performance will be satisfactory when: <ul style="list-style-type: none"> • learner is able to define the M1 definition of money. • learner is able to list the functions of money. • learner is able to describe the Federal Reserve System and its functions. • learner is able to calculate the new balances when money is created and destroyed within a bank and throughout the banking system. • learner is able to calculate the results of the Federal Reserve using its three tools of monetary policy. 	Conditions-- Competence will be demonstrated: <ul style="list-style-type: none"> • on homework using the study guide and textbook. • in class on a 100-point exam without the use of resources. 	Learning Objectives: <ol style="list-style-type: none"> Define the M1 definition of money. List the functions of money. Describe the Federal Reserve System and its functions. Calculate the new balances when money is created and destroyed within a bank and throughout the banking system. Calculate the results of the Federal Reserve using its three tools of monetary policy. 	
10 Describe the problem of poverty and income inequality within the United States.			
<i>Domain-- Cognitive</i>	<i>Level-- Comprehension</i>	<i>Importance-- Useful</i>	<i>Difficulty-- Low</i>
Criteria-- Performance will be satisfactory when: <ul style="list-style-type: none"> • learner is able to list those groups hardest hit by poverty in the U.S. • learner is able to list the three categories of poverty. • learner is able to describe some attempts made by U.S. society to work on the problem of poverty. 	Conditions-- Competence will be demonstrated: <ul style="list-style-type: none"> • on homework using the study guide and textbook. • in class on a 100-point exam without the use of resources. 	Learning Objectives: <ol style="list-style-type: none"> List those groups hardest hit by poverty in the U.S. List the three categories of poverty. Describe some attempts made by U.S. society to work on the problem of poverty. 	

11 Explain the position which the United States holds within a global economy.			
<i>Domain-- Cognitive</i>	<i>Level-- Synthesis</i>	<i>Importance-- Essential</i>	<i>Difficulty-- Medium</i>
Criteria-- Performance will be satisfactory when: <ul style="list-style-type: none"> • learner is able to describe the importance of specialization and free trade to a global economy. • learner is able to explain the calculation of a trade imbalance. • learner is able to describe the barriers to free trade. 	Conditions-- Competence will be demonstrated: <ul style="list-style-type: none"> • on homework using the study guide and textbook. • in class on a 100-point exam without the use of resources. 	Learning Objectives: <ol style="list-style-type: none"> Describe the importance of specialization and free trade to a global economy. Explain the calculation of a trade imbalance. Describe the barriers to free trade. 	

Types of Instruction

- Classroom Presentation
- Videos
- Newspaper/Magazine Articles
- Internet

Grading Policy

Evaluation Methods: Pretest (not part of grade)
 Exams--five @ 100 pts ea = 500 pts (69%)
 Homework = 125 pts (17%)
 Posttest = 100 pts (14%)

Total Points Possible = 725 pts

Grading Scale:

Grade	Requirement
A	90 - 100%
B	80 - 89%
C	65 - 79%
D	50 - 64%
F	Below 50%

Learning Plans

Learning Plan 1-- The Economizing Problem

Overview: Introduces the learner to the concepts of scarcity and choice.

Competency: 1. **Explain the basic economizing problem of scarce resources and unlimited wants.**

Learning Activities:

- _____ 1. Read textbook assignments.
- _____ 2. Listen to lecture and take notes.
- _____ 3. Discuss any questions that arise in class.
- _____ 4. Complete homework assignments.

Performance Assessment Activities: _____ 1. Complete study guide for Chapter 1.
 _____ 2. Take objective examination covering Chapters 1 & 2 after completing Learning Plan 2.

Learning Plan 2-- Supply and Demand Within a Free Market

Overview: Introduces the learner to the supply and demand models within a free market.

Competency: 2. **Construct the basic supply and demand curves in a purely competitive market model.**

Learning Activities:

- _____ 1. Read the textbook assignments.
- _____ 2. Listen to lectures and take notes.
- _____ 3. Discuss any questions that arise in class.
- _____ 4. Complete homework assignments.

Performance Assessment Activities: _____ 1. Complete study guide for Chapter 2.
 _____ 2. Take objective examination covering Chapters 1 & 2 after completing Learning Plan 2.

Learning Plan 3-- Economic Thought

Overview: Introduces the learner to some of the major moments in economic history.

Competency: 3. Explain the major achievements in economic history.

Learning Activities:

- _____ 1. Read the handout entitled, "Economic Thought."
- _____ 2. Listen to lectures and take notes.
- _____ 3. Discuss any questions that arise in class.
- _____ 4. Define list of terms taken from handout, "Economic Thought."

Performance

Assessment Activities:

- _____ 1. Define terms from handout on Economic Thought.
- _____ 2. Take objective examination covering Economic Thought, Chapter 6, and the Stock Market after completing Learning Plan 5.

Learning Plan 4-- Labor Markets and the Labor Movement

Overview: Introduces the learner to supply and demand within the labor market and the history of the United States labor movement.

Competency: 4. Explain the basic workings of the labor market in the United States.

Learning Activities:

- _____ 1. Read the textbook assignments.
- _____ 2. Listen to lectures and take notes.
- _____ 3. Complete homework assignments.

Performance

Assessment Activities:

- _____ 1. Complete the study guide for Chapter 6.
- _____ 2. Take objective examination covering Economic Thought, Chapter 6, and the Stock Market after completing Learning Plan 5.

Learning Plan 5-- The Stock Market

Overview: Introduces the learner to the basics of the stock market.

Competency: 5. Describe the workings of the United States stock market.

Learning Activities:

- _____ 1. Read the handout on the stock market.
- _____ 2. Listen to lectures and take notes.
- _____ 3. Discuss any questions that arise in class.
- _____ 4. Complete stock market project where the learner uses

imaginary money to purchase shares of a selected stock. He/She then follows the stock value during a two-week period and sells the shares figuring the profit or loss from the activity.

- Performance Assessment Activities:**
- _____ 1. Complete stock market project.
 - _____ 2. Take objective examination covering Economic Thought, Chapter 6, and the stock market after completing Learning Plan 5.

Learning Plan 6-- National Accounting

Overview: Introduces the learner to the methods used for national accounting in modern economies.

Competency: 6. **Calculate national income accounts.**

Learning Activities:

- _____ 1. Read the textbook assignments.
- _____ 2. Listen to lectures and take notes.
- _____ 3. Discuss any questions that arise in class.
- _____ 4. Complete homework assignments.

- Performance Assessment Activities:**
- _____ 1. Complete study guide for Chapter 7.
 - _____ 2. Take objective examination covering Chapter 7, the Business Cycle, and Chapter 9 after completing Learning Plan 8.

Learning Plan 7-- Instability Within a Market Economy

Overview: Introduces the learner to the concept of instability within the capitalist economy.

Competency: 7. **Explain the instability within the macroeconomy.**

Learning Activities:

- _____ 1. Read the handout "The Business Cycle."
- _____ 2. Listen to lectures and take notes.
- _____ 3. Discuss any questions that arise in class.

- Performance Assessment Activities:**
- _____ 1. Take objective examination covering Chapter 7, the Business Cycle, and Chapter 9 after completing Learning Plan 8.

Learning Plan 8-- Government Finance and Fiscal Policy

Overview: Introduces the learner to government finance and the fiscal tools used to stabilize the economy.

Competency: 8. **Explain government finance and fiscal policy.**

Learning Activities:

- _____1. Read the textbook assignments.
- _____2. Listen to lectures and take notes.
- _____3. Discuss any questions that arise in class.
- _____4. Complete homework assignments.

Performance Assessment Activities:

- _____1. Complete study guide for Chapter 9.
- _____2. Take objective examination covering Chapter 7, the Business Cycle, and Chapter 9.

Learning Plan 9-- The United States Banking System

Overview: Introduces the learner to the Federal Reserve System and monetary policy.

Competency: 9. **Describe the workings of the United States banking system and monetary policy.**

Learning Activities:

- _____1. Read the textbook assignments.
- _____2. Listen to lectures and take notes.
- _____3. Discuss any questions that arise in class.
- _____4. Complete homework assignments.

Performance Assessment Activities:

- _____1. Complete study guide for Chapter 10.
- _____2. Take objective examination covering Chapters 10, 11, and 12 after completing Learning Plan 10.

Learning Plan Unemployment and Inflation

Overview: Introduces the learner to the two major types of instability within a free-market economy.

Competency: 7. **Explain the instability within the macroeconomy.**

Learning Activities:

- _____1. Read the textbook assignments.

- _____2. Listen to lectures and take notes.
- _____3. Discuss any questions that arise in class.
- _____4. Complete homework assignments.

Performance**Assessment Activities:**

- _____1. Complete study guides for Chapters 11 and 12.
- _____2. Take objective examination covering Chapters 10, 11, and 12 after completing Learning Plan 10.

Learning Plan**Poverty and Income Distribution****Overview:**

Introduces the learner to the concept of poverty and income inequality within the United States.

Competency:

- 10. Describe the problem of poverty and income inequality within the United States.**

Learning Activities:

- _____1. Read the textbook assignments.
- _____2. Listen to lectures and take notes.
- _____3. Discuss any questions that arise in class.
- _____4. Complete homework assignments.

Performance**Assessment Activities:**

- _____1. Complete study guide for Chapter 13.
- _____2. Take objective examination covering Chapters 13, 15, and Social Issues after completing Learning Plan 12.

Learning Plan**International Trade and Finance****Overview:**

Introduces the learner to the concept of a global economy.

Competency:

- 11. Explain the position which the United States holds within a global economy.**

Learning Activities:

- _____1. Read the textbook assignments.
- _____2. Listen to lectures and take notes.
- _____3. Discuss any questions that arise in class.
- _____4. Complete homework assignments.

Performance**Assessment Activities:**

- _____1. Complete study guide for Chapter 15.
- _____2. Take objective examination covering Chapters 13, 15, and

Social Issues after completing Learning Plan 12.