

Principles of Macroeconomics

Course Design

2002-2003

Course Information

Organization: EASTERN ARIZONA COLLEGE

Division: Business

Course Number: BUA 221

Title: Principles of Macroeconomics

Credits: 3

Developed by: Kathleen Bailey

Lecture/Lab Ratio: Lecture 3 hours

Transfer Status: ASU-ECN111, NAU-ECO285, UofA-201B

Extended Registration

Class: No

CIP Code: 45.0601

Assessment Mode: Pre/Posttest Raw Score=25

Semester Taught: Fall

Gen. Ed. Area: Social Science

Separate Lab: No

Awareness Course: No

Intensive Writing

Course: No

Prerequisites: 1. None

Educational Value: Provides a basic understanding of economic principles which is necessary in order to participate as a citizen, consumer, and active voter within a democratic, free-market system.

Goals: 1. The course is designed to give the student a basic understanding of the capitalistic economy from a macroeconomic viewpoint.

Description: Studies aggregates of the entire economy; concentrates on national income analysis, business cycles, the money and banking system, the global economy, and fiscal and monetary policy. Concurrent enrollment in BUA 223 not recommended.

Textbooks: Stephen L. Slavin. Economics Sixth Edition. McGraw-Hill, Irwin, 2002.

Supplies: Calculator

Competencies and Performance Standards

1. Explain the basic economizing problem of scarce resources and unlimited wants.			
<i>Domain-- Cognitive</i>	<i>Level-- Comprehension</i>	<i>Importance--Essential</i>	<i>Difficulty--Medium</i>
<p>Criteria--Criteria - Performance will be satisfactory when:</p> <ul style="list-style-type: none"> • learner is able to create a production possibilities curve from a production possibilities table. • learner is able to list the four categories of resources and payments. • learner is able to explain the connection between scarce resources, opportunity cost, and the production possibilities model. 	<p>Conditions-- Competence will be demonstrated:</p> <ul style="list-style-type: none"> • on homework with the use of the textbook. • in class on a 100-point exam without the use of resources. 	<p>Learning Objectives:</p> <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>
<p>Criteria--Criteria - Performance will be satisfactory when:</p> <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. 	<p>Conditions-- Competence will be demonstrated:</p> <ul style="list-style-type: none"> • on homework with the use of the textbook. • in class on a 100-point exam without the use of resources. 	<p>Learning Objectives:</p> <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 interaction of the public and private sectors within a mixed economy.			
<i>Domain-- Cognitive</i>	<i>Level--Analysis</i>	<i>Importance--Important</i>	<i>Difficulty--Low</i>
<p>Criteria--Criteria - Performance will be satisfactory when:</p> <ul style="list-style-type: none"> • learner is able to describe the breakdown of households as income receivers and spenders. • learner is able to describe the breakdown of the business population. • learner is able to describe the "isms": capitalism, fascism, communism, and socialism. 	<p>Conditions-- Competence will be demonstrated:</p> <ul style="list-style-type: none"> • on homework with the use of the textbook. • in class on a 100-point exam without the use of resources. 	<p>Learning Objectives:</p> <ol style="list-style-type: none"> Describe the breakdown of households as income receivers and spenders. Describe the breakdown of the business population. Describe the "isms": capitalism, fascism, communism, and socialism. 	

<p>4. Explain the workings of the market system, including the four basic economic sectors: households, business, government, export-import.</p> <p><i>Domain-- Cognitive Level-- Comprehension Importance--Important Difficulty--Medium</i></p>		
<p>Criteria--Criteria - Performance will be satisfactory when:</p> <ul style="list-style-type: none"> • learner is able to apply the formulas for the Average Propensity to Consume, Average Propensity to Save, Marginal Propensity to Consume, and Marginal Propensity to Save. • learner is able to describe the three types of business firms. • learner is able to describe the economic role of government. • learner is able to describe world trade agreements and free-trade zones. 	<p>Conditions-- Competence will be demonstrated:</p> <ul style="list-style-type: none"> • on homework with the use of the textbook. • in class on a 100-point exam without the use of resources. 	<p>Learning Objectives:</p> <ol style="list-style-type: none"> Apply the formulas for the Average Propensity to Consume, Average Propensity to Save, Marginal Propensity to Consume, and Marginal Propensity to Save. Describe the three types of business firms. Describe the economic role of government. Describe world trade agreements and free-trade zones.
<p>5. Calculate the national income accounts.</p> <p><i>Domain-- Cognitive Level--Application Importance--Essential Difficulty--High</i></p>		
<p>Criteria--Criteria - Performance will be satisfactory when:</p> <ul style="list-style-type: none"> • learner is able to calculate the Gross Domestic Product using the expenditures and income approach. • learner is able to describe the difference between GDP and real GDP. 	<p>Conditions-- Competence will be demonstrated:</p> <ul style="list-style-type: none"> • on homework with the use of the textbook. • in class on a 100-point exam without the use of resources. 	<p>Learning Objectives:</p> <ol style="list-style-type: none"> Calculate Gross Domestic Product using the expenditures and income approach. Describe the difference between GDP and real GDP.
<p>6. Explain the instability within the macroeconomy.</p> <p><i>Domain-- Cognitive Level--Analysis Importance--Essential Difficulty--Medium</i></p>		
<p>Criteria--Criteria - Performance will be satisfactory when:</p> <ul style="list-style-type: none"> • learner is able to describe the phases of the business cycle. • learner is able to describe the four types of unemployment. • learner is able to calculate the rate of unemployment. • learner is able to calculate the rate of inflation. 	<p>Conditions-- Competence will be demonstrated:</p> <ul style="list-style-type: none"> • on homework with the use of the textbook. • in class on a 100-point exam without the use of resources. 	<p>Learning Objectives:</p> <ol style="list-style-type: none"> Describe the phases of the business cycle. Describe the four types of unemployment. Calculate the rate of unemployment. Calculate the rate of inflation.

<p>7. Explain the difference between the federal deficit and public debt and the impact of fiscal policy on the macroeconomy.</p>			
<i>Domain-- Cognitive</i>	<i>Level-- Analysis</i>	<i>Importance-- Important</i>	<i>Difficulty-- Medium</i>
<p>Criteria--Criteria - Performance will be satisfactory when:</p> <ul style="list-style-type: none"> • learner is able to define the federal deficit. • learner is able to define the public debt. • learner is able to describe the economic implications of the growing public debt. • learner is able to describe the use of discretionary fiscal policy. 	<p>Conditions-- Competence will be demonstrated:</p> <ul style="list-style-type: none"> • on homework with the use of the textbook. • in class on a 100-point exam without the use of resources. 	<p>Learning Objectives:</p> <ol style="list-style-type: none"> Define the federal deficit. Define the public debt. Describe the economic implications of the growing public debt. Describe the use of discretionary fiscal policy. 	
<p>8. Describe the workings of the United States banking system and monetary policy.</p>			
<i>Domain-- Cognitive</i>	<i>Level-- Comprehension</i>	<i>Importance-- Essential</i>	<i>Difficulty-- High</i>
<p>Criteria--Criteria - Performance will be satisfactory when:</p> <ul style="list-style-type: none"> • learner is able to explain 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 new balances on a given bank's balance sheet and throughout the banking system when money is created and destroyed. • learner is able to calculate the impact upon M1 when the Federal Reserve uses its three tools of monetary policy. 	<p>Conditions-- Competence will be demonstrated:</p> <ul style="list-style-type: none"> • on homework with the use of the textbook. • in class on a 100-point exam without the use of resources. 	<p>Learning Objectives:</p> <ol style="list-style-type: none"> Explain the M1 definition of money. List the functions of money. Describe the Federal Reserve System and its functions. Calculate 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. 	
<p>9. Explain the position which the United States holds within the global economy.</p>			
<i>Domain-- Cognitive</i>	<i>Level-- Analysis</i>	<i>Importance-- Essential</i>	<i>Difficulty-- Medium</i>
<p>Criteria--Criteria - Performance will be satisfactory when:</p> <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 circular flow model including the foreign sector. 	<p>Conditions-- Competence will be demonstrated:</p> <ul style="list-style-type: none"> • on homework with the use of the textbook. • in class on a 100-point exam without the use of resources. 	<p>Learning Objectives:</p> <ol style="list-style-type: none"> Describe the importance of specialization and free trade to a global economy. Explain the circular flow model including the foreign sector. 	

Types of Instruction

Classroom Presentation
 Videos
 Newspaper/Magazine Articles
 Internet

Grading Policy

Evaluation Methods: Pretest (not part of grade)
 Exams--four @ 100 pts ea = 400 pts
 Quizzes--ten @ 10 pts ea = 100 pts
 Internet Assignments--ten @ 5 pts ea = 50 pts
 Homework--14 chapters @ 5 pts ea = 70 pts
 Posttest--100 pts
 Total Points Possible for Course = 720 pts

Grading Scale:

Grade	Requirement
A	90 - 100%
B	80 - 89%
C	70 - 79%
D	50 - 69%
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.
- _____ 5. Complete Internet Assignment #1.

Performance Assessment Activities:

- _____ 1. Complete textbook questions for chapter 1& 2.
- _____ 2. Take quiz number 1.
- _____ 3. Take objective examination covering chapters 1-4 after completing Learning Plan 3.

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

Overview: Introduces the learner to the supply and demand models. Also, the learner is made aware of the concept of a free-market system and the problems every economy must face.

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 assigned homework questions.
- _____ 5. Complete Internet Assignment #2.

Performance Assessment Activities:

- _____ 1. Complete textbook questions for chapter 3.
- _____ 2. Take quiz number 2.
- _____ 3. Take objective examination covering chapters 1-4 after

completing Learning Plan 3.

Learning Plan 3-- The Public and Private Sectors of a Mixed Economy

Overview: Introduces the learner to the concept of a free-market system and the problems every economy must face. Also, the learner is made aware of the roles played by business and government within this system.

Competency: 3. **Explain the interaction of the public and private sectors within a mixed 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 assigned homework questions.
- _____5. Complete Internet Assignment #3.

Performance

Assessment Activities:

- _____1. Complete textbook questions for chapter 4.
- _____2. Take quiz number 3.
- _____3. Take objective examination covering chapters 1-4 after completing Learning Plan 3.

Learning Plan 4-- The Four Sectors of a Free-Market Economy

Overview: Introduces the learner to the economic sectors: Household-Consumption, Business-Investment, Government, and Export-Import.

Competency: 4. **Explain the workings of the market system, including the four basic economic sectors: households, business, government, export-import.**

Learning Activities:

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

Performance

Assessment Activities:

- _____1. Complete textbook questions for chapter 5, 6, 7, and 8.
- _____2. Take quiz number 4.
- _____3. Take objective examination covering chapters 5-8 after completing Learning Plan 4..

Learning Plan 5-- National Accounting

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

Competency: 5. Calculate the 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 assigned homework questions.
- _____ 5. Complete Internet Assignment #4.

Performance

Assessment Activities:

- _____ 1. Complete textbook questions for chapter 9.
- _____ 2. Take quiz number 5.
- _____ 3. Take objective examination covering chapters 9, 10, & 12 after completing Learning Plan 7.

Learning Plan 6-- Instability Within a Market Economy

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

Competency: 6. 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 assigned homework questions.
- _____ 5. Complete Internet Assignment #5.

Performance

Assessment Activities:

- _____ 1. Complete textbook questions for chapter 10.
- _____ 2. Take quiz number 6.
- _____ 3. Take objective examination covering chapters 9, 10, & 12 after completing Learning Plan 7.

Learning Plan 7-- The Federal Deficit and Public Debt

Overview: Allows the learner to put together the macroeconomic concepts presented so far and develop a better understanding of the federal deficit and public debt.

Competency: 7. **Explain the difference between the federal deficit and public debt and the impact of fiscal policy on 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 assigned homework questions.
- _____5. Complete Internet Assignment #6.

Performance Assessment Activities:

- _____1. Complete textbook questions for chapter 12.
- _____2. Take quiz number 7.
- _____3. Take objective examination covering chapters 9, 10, & 12 after completing Learning Plan 7.

Learning Plan 8-- The Federal Reserve System

Overview: Introduces the learner to the Federal Reserve System of the United States and how it controls the money supply through lending.

Competency: 8. **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 assigned homework questions.
- _____5. Complete Internet Assignments #7 and 8.

Performance Assessment Activities:

- _____1. Complete textbook questions for chapter 13 & 14.
- _____2. Take quiz number 8.

- _____3. Take objective examination covering chapters 13, 14, & 32 after completing Learning Plan 9.

Learning Plan 9-- The Global Economy

Overview: Introduces the learner to the concept of a worldwide economy and how the United States fits into the world's economic flow.

Competency: 9. **Explain the position which the United States holds within the 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 assigned homework questions.
_____5. Complete Internet Assignment #9 & 10.

Performance

Assessment Activities:

- _____1. Complete textbook questions for chapter 32.
_____2. Take quiz number 9 & 10.
_____3. Take objective examination covering chapters 13, 14, & 32 after completing Learning Plan 9.