

ECON-2010: PRINCIPLES OF MACROECONOMICS

Cuyahoga Community College

Viewing: ECON-2010 : Principles of Macroeconomics

Board of Trustees:

December 2021

Academic Term:

Fall 2024

Subject Code

ECON - Economics

Course Number:

2010

Title:

Principles of Macroeconomics

Catalog Description:

This course introduces the language, tools, and basic models used to study the aggregate economy, including the impact of fiscal policy and monetary policy. It is recommended that students take ECON-2000 prior to taking this course.

Credit Hour(s):

3

Lecture Hour(s):

3

Requisites

Prerequisite and Corequisite

Eligibility for enrollment in 1000 level Mathematics course. This includes co-enrollment in a co-requisite pairing of MATH-0930 Essential Skills for Algebraic & Quantitative Reasoning and MATH-1190 Algebraic & Quantitative Reasoning; or co-enrollment in a co-requisite pairing of MATH-0970 Essential Skills for Elementary Probability and Statistics I and MATH-1410 Elementary Probability and Statistics I; or completion of MATH-0955 Beginning Algebra I, or qualified Math placement.

Outcomes

Course Outcome(s):

Recognize the basic economic variables and models used in the study of macroeconomics.

Essential Learning Outcome Mapping:

Quantitative Reasoning: Analyze problems, including real-world scenarios, through the application of mathematical and numerical concepts and skills, including the interpretation of data, tables, charts, or graphs.

Objective(s):

1. Measure the determinates of important macroeconomic variables, including the level of income, the level of employment, the unemployment rate, the natural rate of unemployment, the price level, the inflation rate, productivity and the rate of interest.
2. Accurately apply aggregate demand and aggregate supply.
3. Identify and calculate the unemployment inflation tradeoffs.
4. Recognize basic macroeconomic terminology and concepts, including the distinction between real and nominal magnitudes.
5. Measure the various elements of national income accounts.

Course Outcome(s):

Interpret economic indicators and measures to evaluate fiscal and monetary policy.

Objective(s):

1. Identify and explain the functions of the Federal Reserve System.
 2. Identify and explain the effects of fiscal and monetary policies.
 3. Identify and explain basic theories of macroeconomic instability.
 4. Apply economic reasoning to better understand and critically evaluate real world circumstances and events.
 5. Identify the components of the business cycle.
 6. Identify and explain the supply and demand for money.
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Methods of Evaluation:

1. Examinations: objective and short essay
2. Homework
3. Classroom exercises
4. Quizzes
5. Classroom participation
6. Reports on outside reading
7. Current events discussion and reports
8. Projects
9. Computer simulations and gaming
10. Other as instructor deems desirable

Course Content Outline:

1. Basic Macroeconomic Terminology
 1. Nominal vs real magnitudes
 2. Inflation, Stagflation, Deflation
 3. Circular Flow, Factor Markets, etc.
 4. Full employment
 5. Other macroeconomic terms deemed necessary to better understand and critically evaluate real world circumstances and events
2. National Income Accounts
 1. Expenditure method
 2. GDP, GNP
 3. Shortcomings of Gross Domestic Product (GDP)
3. The Business Cycle
 1. Unemployment
 2. GDP gap, Inflation gap
 3. Trough, Peak, Trough, Expansion and Recession
4. Macroeconomic Variables
 1. Economic output and growth
 2. Unemployment, inflation, savings, & investments
 3. Multipliers
 4. CPI, GDP, etc.
 5. Equilibrium real output and price levels
 6. Changes in equilibrium
 7. Short-run and long-run
 8. Supply and demand shocks
 9. Production Possibilities Frontier
10. Balance of Payments
11. Other macroeconomic variables deemed necessary to better understand and critically evaluate real world circumstances and events
5. Money
 1. Definition of money
 2. Functions of money, types of money
 3. Fiat Money vs Commodity Money
 4. Double Coincidence of Wants Problem
 5. Value of money

6. Supply and demand for money
7. Interest rate determination
8. Money markets
9. The quantity theory of money
6. The Federal Reserve System
 1. Federal Reserve System-its origins and functions
 2. The Federal Open Market Committee (FOMC)
 3. Interest rate determination
 4. M1 and M2
 5. Effects on macroeconomic variables such as unemployment, inflation and the value of money by the Federal Reserve since its creation
7. Aggregate Demand and Aggregate Supply
 1. Aggregate Demand curve, movement along the curve, shifts, etc.
 2. Aggregate Supply Curve, movement along the curve, shifts, etc.
 3. Short-run vs long-run Aggregate Supply Curve
 4. Macroeconomic equilibrium
 5. Application of Aggregate Demand and Aggregate supply
8. Fiscal Policy
 1. What is fiscal policy?
 2. Budget surpluses and budget deficits
 3. The tax multiplier, the spending multiplier
 4. The effects of fiscal policy on economic growth
 5. The limits of fiscal policy
9. Monetary Policy
 1. How banks create money
 2. Bank multiplier
 3. Tools of monetary policy
 4. Monetary policy, real GDP and the price level (inflation targeting)
10. Basic Theories of Macroeconomic Instability
 1. Definition of macroeconomic instability
 2. Keynesian theories
 3. Non-Keynesian theories
11. Unemployment and Inflation Tradeoff
 1. The Phillips Curve, short-run & long-run
 2. The effect of expectations
 3. Breakdown of the Phillips Curve (i.e., stagflation)
12. Additional topics as determined by the instructor and allowed by time

Resources

Bade, Robin, and Michael Parkin. *Foundations of Macroeconomics*. 9th ed. Boston; Pearson, 2020.

Hubbard, R. Glenn, and Anthony Patrick O'Brien. *Economics*. 8th ed. Pearson, 2021.

McConnell, Campbell R., Stanley L. Brue and Sean M. Flynn. *Macroeconomics: Principles, Problems, and Policies*. 21st ed. Boston: McGraw-Hill Irwin (split edition), 2017.

"Wall Street Journal"

Boyes, William and Melvin, Michael. *Economics*. 10th ed. Cengage, 2016.

Arnold, Roger A. . *Macroeconomics*. 13th ed. Cengage, 2019.

Asarta, Carlos and Roger Butters. *Principles of Economics*. 3rd ed. McGraw Hill Education, 2021.

Mankiw, N. Gregory. *Principles of Economics*. 8th ed. Cengage, 2021.

Greenlaw, Steven and Shapiro, David. *Principles of Economics*. 2nd ed. OpenStax, 2017.

Instructional Services

OAN Number:

Ohio Transfer 36 TMSBS and Transfer Assurance Guide OSS005

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