



Western Technical College

## 20809211 Principles of Macroeconomics (Liberal Arts/Transfer Course)

### Course Outcome Summary

#### Course Information

**Description** This course provides an introduction to basic economic principles with applications to current economic problems affecting the overall performance of a nation's economy. The course begins with an analysis of the role of markets and prices in an economy. Topics include the causes and consequences of unemployment, inflation, and economic growth; the role of money and banking in the economy; the role of government taxing and spending policies to correct market failure and stabilize the economy; the implications of budget deficits and the national debt; and the implications of an increasingly global economy. This course is designed to meet the need for college transfer credit.

**Career Cluster** Collegiate Transfer

**Instructional Level** College Parallel

**Total Credits** 3

**Total Hours** 54

#### Textbooks

*Macroeconomics – MindTap (1 Term)*. 14th Edition. Copyright 2023. Arnold, Roger A. Publisher: Cengage Learning. **ISBN-13:** 978-0-357-72056-1. Required.

#### Success Abilities

1. Cultivate Passion: Expand a Growth-Mindset
2. Cultivate Passion: Increase Self-Awareness
3. Live Responsibly: Develop Resilience

4. Refine Professionalism: Improve Critical Thinking
5. Refine Professionalism: Practice Effective Communication

## Course Competencies

### 1. Explore the central concepts of economic analysis

#### Assessment Strategies

- 1.1. Written Product
- 1.2. Written Reaction Paper and Journal Entry

#### Criteria

*You will know you are successful when*

- 1.1. you explain the key differences between macro- and micro- economics.

#### Learning Objectives

- 1.a. Explain what economics is and why it is important
- 1.b. Define scarcity and opportunity cost
- 1.c. Recognize how scarcity creates opportunity costs.
- 1.d. Categorize limited resources and the four (4) Factors of Production
- 1.e. Explain what the production-possibilities curve represents.
- 1.f. Identify efficiency and economic growth
- 1.g. Analyze the three (3) core economic questions that every society must answer.
- 1.h. Differentiate how markets and governments approach economic problems differently
- 1.i. Compare and contrast economic systems
- 1.j. Describe how the U.S. output mix has changed over time.
- 1.k. Reconcile how incomes are distributed in the United States and elsewhere.
- 1.l. Use mathematics and graphs in economic applications

### 2. Apply supply and demand concepts to market analysis.

#### Assessment Strategies

- 2.1. Written Product

#### Criteria

*You will know you are successful when*

- 2.1. you explain what supply and demand analysis is and why it is important

#### Learning Objectives

- 2.a. Identify characteristics between major economic systems
- 2.b. Explain the determinants of demand
- 2.c. Explain the determinants of supply
- 2.d. Illustrate market equilibrium, surplus, and shortage
- 2.e. Examine price elasticities of both supply and demand
- 2.f. Analyze the consequences of price ceilings and price floors

### 3. Examine key macroeconomic measures: GDP, unemployment, inflation, and economic growth.

#### Assessment Strategies

- 3.1. Written Product

#### Criteria

*You will know you are successful when*

- 3.1. you explain gross domestic product
- 3.2. you describe economic growth and how it is measured
- 3.3. you analyze the tools used to measure the health of an economy.
- 3.4. you identify major macroeconomic goals, performance standards and means of evaluating the economy's performance
- 3.5. you examine unemployment and inflation.

### **Learning Objectives**

- 3.a. Explain how economic indicators like GDP and unemployment rates and inflation rates are used to assess the state of the economy
- 3.b. Differentiate between and calculate nominal and real GDP
- 3.c. Identify key institutional factors that contribute to economic growth
- 3.d. Investigate principal goals of macroeconomic analysis

## **4. Examine Keynesian and Neoclassical economics.**

### **Assessment Strategies**

- 4.1. Written Product

### **Learning Objectives**

- 4.a. Explore the tenets of Keynesian Economics.
- 4.b. Identify policy implications of Keynesian economics.
- 4.c. Explore the tenets of Neoclassical economics.
- 4.d. Explore how the neoclassical model responds to fluctuations in the economy.
- 4.e. Compare and contrast the Keynesian and Neoclassical perspectives.

## **5. Analyze the structure and effects of Fiscal Policy.**

### **Assessment Strategies**

- 5.1. Written Product

### **Learning Objectives**

- 5.a. Identify and major spending categories and revenue sources in the US Federal budget.
- 5.b. Examine fiscal policies (i.e. automatic, expansionary, contractionary fiscal policies).
- 5.c. Compare neoclassical and Keynesian approaches to Fiscal Policy.

## **6. Evaluate the aggregate demand/supply model.**

### **Assessment Strategies**

- 6.1. Written Product

### **Criteria**

*You will know you are successful when*

- 6.1. you analyze the relationship between total expenditures and the GDP
- 6.2. you identify conditions leading to inflationary and recessionary gaps

### **Learning Objectives**

- 6.a. Identify the equilibrium levels of the GDP and price level based on the aggregate demand/supply model.
- 6.b. Examine factors that shift aggregate supply and aggregate demand
- 6.c. Illustrate economic growth, unemployment, and inflation using the ADS model

## **7. Analyze money and banking in a market economy.**

### **Assessment Strategies**

- 7.1. Written Product

### **Learning Objectives**

- 7.a. Define: money and liquidity
- 7.b. Examine the functions of money
- 7.c. Explore the role financial markets play in the economy
- 7.d. Describe what a bank does
- 7.e. Examine how money is created by lending

## **8. Analyze the structure and effects of monetary policy.**

### **Assessment Strategies**

- 8.1. Written Product

### **Learning Objectives**

- 8.a. Examine structure, functions, and responsibilities of the Federal Reserve System.
- 8.b. Examine monetary policy and the Fed's main policy tools
- 8.c. Explore how monetary policy affects GDP and the interest rates

8.d. Define the money supply and its affect on aggregate demand.

## **9. Critique specific macroeconomic issues and policies**

### **Assessment Strategies**

9.1. Written Product

### **Criteria**

*You will know you are successful when*

- 9.1. you examine budget deficit and the debt
- 9.2. you explore productivity growth and the macroeconomy
- 9.3. you analyze the inflation/unemployment tradeoff
- 9.4. you examine current controversies and limitations related to the application of macroeconomic analysis

### **Learning Objectives**

- 9.a. Compare viewpoints on government spending and taxes between the Keynesian and Neoclassical perspectives
- 9.b. Explore the reasoning behind the theory of the Philips Curve and why it may not hold
- 9.c. Describe the basic tenets of new classical economics
- 9.d. Analyze the role of government in the economy
- 9.e. Review the combined effect of Fiscal and Monetary policy on the economy
- 9.f. Assess the impact of the globalization of economics
- 9.g. Identify appropriate macro policy options in response to the state of the economy