

COURSE OUTLINE

Principles of Macroeconomics
Course Title

BA 159
Dept. & Course No.

I. COURSE DESCRIPTION

This course is an analysis of the structure and function of the American economy. Particular attention is given to the manner in which scarce resources and products are allocated in a mixed capitalist economy. The topics of national output, income, employment, and inflation are discussed. The basics of national banking and monetary policy are introduced.

II. SEMESTER CREDIT: 3

III. CONTACT HOURS PER WEEK:

<u>3</u>	<u>0</u>	<u>3</u>
Lecture	Lab	Total

IV. PREREQUISITE: MA 095 and EN 095

V. STUDENT LEARNING OUTCOMES

VI. COURSE CONTENT

Upon completion of this course, the student will be able, with 65% accuracy, to:

1. Define economics, economic terms, and explain the nature of economic problems.	A. Introduction to Economics 1. Scope and methods of economics 2. Economic problems: scarcity and choice 3. Demand, supply, and market equilibrium 4. Price system, supply and demand
2. Discuss the process of economizing and explain the relationship between the macroeconomic issues.	B. Concepts & Problems in Macroeconomics 1. Introduction to macroeconomics 2. National output and income 3. Unemployment and inflation
3. Explain principles and policies of aggregate expenditures and equilibrium in government.	C. Aggregate Expenditures and Equilibrium 1. Government and fiscal policy 2. Money supply and the Federal Reserve System 3. Money demand, equilibrium interest rate and monetary policy
4. Illustrate relationship of macroeconomic analysis and issues.	D. Money, Interest Rate, & National Income 1. Aggregate demand, aggregate supply, and inflation 2. Labor market, unemployment, & inflation 3. Deficit reduction, stabilizing, policy and macro issues abroad

5. Explain demand, supply, and market equilibrium.	<p>E. Firms & Households: The Basic Decision Making Units</p> <ol style="list-style-type: none"> 1. Input and output markets: The circular flow 2. Demand in product/output markets 3. Supply in product/output markets 4. Other determinants of firm supply
6. Explain the price system, supply and demand.	<p>F. The Price System: Rationing & Allocating Resources</p> <ol style="list-style-type: none"> 1. Price rationing 2. Constraints on market and alternative 3. Rationing mechanism 4. Prices and allocation of resources
7. Discuss from GDP to personal income.	<p>G. Nominal GDP vs. Real GDP</p> <ol style="list-style-type: none"> 1. Calculate Real GDP 2. GDP price index 3. Constant dollars and adding-up problems 4. Underground economy
8. Discuss macroeconomic problems: unemployment and inflation.	<p>H. Recession, Depression, and Unemployment</p> <ol style="list-style-type: none"> 1. Define and measure unemployment 2. Components of unemployment rate 3. Cost of unemployment 4. Benefits of recessions 5. Define inflation 6. Prices index and the cost of inflation
9. Aggregate expenditure and equilibrium output and income.	<p>I. Output and Income</p> <ol style="list-style-type: none"> 1. Income, consumption, and savings (Y,C,S) 2. Explain spending behavior 3. Plan investment (I) 4. Plan aggregate expenditure (AE) 5. Savings/investment approach to equilibrium 6. The multiplier
10. Explain money supply and the Federal Reserve System.	<p>J. Overview of Money</p> <ol style="list-style-type: none"> 1. What money is 2. Commodity and fiat monies 3. Measuring the supply of money in the United States 4. Private Banking System
11. Explain money demand, equilibrium interest rate and monetary policy.	<p>K. The Money Demand</p> <ol style="list-style-type: none"> 1. Transaction motive for holding money 2. Money management and optimal balance 3. Speculative motive for holding money 4. Total demand for money

12. Explain labor market, unemployment and inflation.	L. Classical View of Labor Market 1. Existence of unemployment 2. Sticky wages 3. Efficient wage theory 4. Imperfect information 5. Minimum wage laws 6. Open question
---	--

VII. MATERIAL AND EQUIPMENT

- A. Calculator (student furnished)
- B. Computer & Projector
- C. Routine classroom supplies
- D. TV/VCR

VIII. TEXT

- A. Required Text:
Case, Karl E. and Fair, Ray C., et al. Principles of Macroeconomics 6th edition,
Prentice Hall Inc., Upper Saddle River, New Jersey 2002 -2003

IX. METHOD OF INSTRUCTION

- A. Lecture
- B. Problem Solving & Discussion
- C. Demonstration
- D. Films/Videos
- E. Guest Speaker

X. METHOD OF EVALUATION

- A. The computation of final grade includes the following:

Participation	5%
Quizzes	10%
Tests	25%
Mid-Term Exam	15%
Final Exam	20%
Research Project/Presentation	<u>25%</u>
Total: 100%	

- B. The transmutation of percent to letter grade is as follows:

90	-	100	=	A
80	-	89	=	B
70	-	79	=	C
65	-	69	=	D
0	-	64	=	F

**COURSE LEVEL ACHIEVEMENT
FORM B
(USED FOR ALL PROGRAM COURSES EXCEPT SHOP COURSES)
BA 159 PRINCIPLES OF MACROECONOMICS**

Student's Name: _____

Semester/Year: _____

Instructor's Name (Print): _____

Descriptions: At the end of the class session, please rate the students on the following five competencies (circle one number for each competency). The numerical ratings of 5, 4, 3, 2, and 1 are not intended to represent the grading system of A, B, C, D, and F. Rather, they only indicate the degree of competency for a student that he/she should master from the course. The descriptions associated with each of the numbers focus on the level of student performance for each of the competencies listed below.

Rating Scale: 5 - Excellent
4 - Above average
3 - Average
2 - Below average
1 - Unacceptable

Competency #1:

[Critical Thinking and Problem Solving]: Identify, apply, and integrate economic concepts and problems relating to the global economy (including Palau).

5	Identifying, applying, and integrating all the concepts and theories below with 90-100 percent accuracy: a. Explain the concepts and theories behind macroeconomics b. Identify the scope and methods of economics c. Explain the various economic problems d. Explain the concept of supply and demand. e. Explain some if not all, government fiscal policies.(Including Palau) f. Discuss the concepts of inflation and recessions
4	Identifying, applying, and integrating all the tasks above with 80-89 percent accuracy.
3	Identifying and applying all the tasks above with 70-79 percent accuracy.
2	Identifying all the tasks above with 65-69 percent accuracy.
1	Identifying all the tasks above with below 65 percentile.

Competency #2:

[Communication Skills]: Develop both written and oral skills in communicating economic concepts and issues.

5	Development in the theories and concepts of all of the following below tasks with 90-100 percent accuracy: <ul style="list-style-type: none">a. Development of an economic portfolio consisting of various reports on the aggregate economic issues and problems.b. Present collective learning techniques based on theoretical and ethical concepts.c. Discuss and ask questions based on macroeconomic issues.d. Timely reports and projects.
4	Development in all the above tasks with 80-89 percent accuracy.
3	Development in all the above tasks with 70-79 percent accuracy.
2	Development in all the above tasks with 65-69 percent accuracy.
1	Development in all the above tasks with below 65 percent accuracy.

Competency #3:

[Mathematical and Statistical skills]: Solve economic problems and issues using both mathematical and statistical skills.

5	Creating, developing, and demonstrating all of the following tasks below with 90-100 percent accuracy. <ul style="list-style-type: none">a. Analyzing and calculating the law of supply and demand.b. Explain and calculate for market equilibrium.c. Explain the calculation of a GDP and GNP.d. Explain the concept of pricing within an economy.e. Plan and create investment opportunities.
4	Create, develop, and demonstrate all of the above tasks with 80-89 percent accuracy.
3	Create, develop, and demonstrate all of the above tasks with 70-79 percent accuracy.
2	Create, develop, and demonstrate all of the above tasks with 65-69 percent accuracy.
1	Create, develop, and demonstrate all of the above tasks with below 65 percent accuracy.

Competency #4:

[Global Economic Perspective]: Identify and apply international perspectives in making economic decisions.

5	Identify and apply the various tasks below with 90-100 percent accuracy: <ul style="list-style-type: none">a. Explain the global government fiscal policy procedures.b. Identify the importance of GNP and what it does to third world countries.c. Explain the concepts of recessions, depressions, and employments.d. Discuss the various implications of monetary issues and concerns relating to policy making globally.e. Identify the various restrictions and regulations of the labor market worldwide.
4	Identify and apply all the tasks above with 80-89 percent accuracy.
3	Identify and apply all the tasks above with 70-79 percent accuracy.
2	Identify and apply all the tasks above with 65-69 percent accuracy.
1	Identify and apply all the tasks above with below 65 percent accuracy.

I certify that the student has completed all the competencies in this course and has achieved ratings as shown in each respective competency.

Instructor's Signature

Date