Modesto Junior College
Course Outline of Record
ECON 101

I. OVERVIEW
The following information will appear in the 2009 - 2010 catalog

ECON-101 Principles of Macroeconomics 3 Units

Prerequisite: Satisfactory completion of MATH 90 and .
Advisory: Before enrolling in this course, students are strongly advised to have college level composition skills.

Introduction to macroeconomic theory in the context of managed market economy. Covers basic concepts in economics, particularly those relating to aggregate economic analysis, such as scarcity, trade-offs, and opportunity costs. Topics include: market systems, aggregate measures of economic activity, macroeconomic equilibrium, money and financial institutions, monetary and fiscal policy, international economics, and economic growth. Course is applicable to the associate degree. General Education: CSU-GE - D2
IGETC Category: IGETC - 4B

II. LEARNING CONTEXT
Given the following learning context, the student who satisfactorily completes this course should be able to achieve the goals specified in Section III, Desired Learning:

A. COURSE CONTENT

1. Required Content:

   A. Introduction: thinking like an economist
      1. Basic concepts
      a. Economic questions
      b. Economic systems
      c. Scarcity
      d. Trade-offs
      e. Opportunity cost
      f. Gains from trade and comparative advantage
      2. Production possibility model
      B. Overview of macroeconomics
      C. Aggregate measures of the economy
         1. Business cycles
            a. Unemployment
            b. Inflation
            c. Economic growth
         2. National income accounting
            a. Circular flow of economic activity
            b. GDP: income vs. expenditure approach
               1) Expenditure approach: GDP = Consumption + Investment + Government spending + Net Exports
               2) Income approach: GDP = Wages + Rent + Interest + Profit
            D. Aggregate demand and aggregate supply
               1. Long-term vs. short-term analysis
               2. Classical vs. Keynesian theories
               3. Other perspectives
               4. Impact of international trade
            E. Fiscal policy
               1. The role of the federal government
               2. Policy objectives
               3. Problems
                  a. Political issues
                  b. Entitlements
c. Debt, deficit, and interest on the debt
d. Trade deficit and the balance of payments
4. Impact of international conditions on domestic policy

E. Money and banking
1. What is money?
2. Banking system
   a. Structure
   b. How banks create money
3. The Federal Reserve
   a. The structure of the Fed
   b. The Fed’s role in the banking system
   c. The Fed’s role in international money markets
   d. Monetary policy
      1) Tools
      2) Objectives
      3) Targets

F. Policy options and dilemmas: fiscal and monetary
1. Goal of growth and stability
2. Interaction of fiscal and monetary policy
3. Domestic vs. international goals

B. ENROLLMENT RESTRICTIONS

1. Prerequisites
   Satisfactory completion of MATH 90 and.

2. Advisories
   Before enrolling in this course, students are strongly advised to have college level composition skills.

3. Requisite Skills
   Before entering the course, the student will be able to:
   a. Solving equations
   b. Graphing and analysis
   c. Solving for unknowns

C. HOURS AND UNITS

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<thead>
<tr>
<th>INST METHOD</th>
<th>TERM HOURS</th>
<th>UNITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lect</td>
<td>54.00</td>
<td>3.00</td>
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<tr>
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<td>0</td>
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<tr>
<td>Disc</td>
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D. METHODS OF INSTRUCTION (TYPICAL)

Instructors of the course might conduct the course using the following method:

1. Basic macroeconomic concepts may be presented through classroom lectures, collaborative learning activities, problem solving, reading and writing, electronic media.

2. Presentations may be enhanced through the use of multimedia techniques that include overhead projector slides, videos, computer presentation software, and tutorial software.

3. Student assignments may include the following: mathematical problem solving, graphing exercises,
essays, term papers, group and individual presentations, computer tutorial software exercises, electronic spreadsheet exercises, current event reports.

4. Electronic media, including video, DVD, CD-ROM, and the Internet, may be used for presentation of material.

5. Reading assignments and class discussions of controversial issues in economics.

6. Collaborative exercises in class that involve mathematical problem-solving, analytical writing, and evaluation of each others’ work in the context of economic concepts, theories, and issues.

7. Writing and discussion assignments in which students describe current economic events and issues, apply the thinking of economics to those events and issues, and make recommendations for change in the context of economic political decision making in our society.

8. Students will complete simple research and analysis using data sources from the library, and the Internet.

E. ASSIGNMENTS (TYPICAL)

1. EVIDENCE OF APPROPRIATE WORKLOAD FOR COURSE UNITS

Time spent on coursework in addition to hours of instruction (lecture hours)

Weekly problem sets that test the students’ comprehension of definitions, concepts, models, and computational skills,

Study for section tests that test students’ understanding of objective, quantitative, conceptual, and analytical course content.

Study for final exam that tests the students’ understanding of overall course content.

2. EVIDENCE OF CRITICAL THINKING

Assignments require the appropriate level of critical thinking

Objective question sample:
Define GDP. Define the components of the expenditure equation of GDP.

Problem-solving sample:
One day, Barry the Barber, Inc., collects $400 for haircuts. Over this day, his equipment depreciates in value by $50. Of the remaining $350, Barry sends $30 to the government in sales taxes, takes home $220 in wages, and retains $100 in his business to add new equipment in the future. From the $220 that Barry takes home, he pays $70 in income taxes. Based on this information, compute Barry's contribution to the following measures of income.
a. gross domestic product
b. net national product
c. national income
d. personal income
e. disposable personal income

Essay sample:
The participation of women in the US Labor Force has risen dramatically since 1970.
a. How do you think this rise affected GDP?
b. Now imagine a measure of well-being that includes time spent working in the home and taking leisure. How would increased participation of women in the labor force change this measure of well-being compared to the change in GDP?
c. Can you think of other aspects of well-being that are associated with the rise in women's labor-force participation? Would it be practical to construct a measure of well-being that includes these aspects?

F. TEXTS AND OTHER READINGS (TYPICAL)
III. **DESIRED LEARNING**

A. **COURSE GOAL**

As a result of satisfactory completion of this course, the student should be prepared to:

Read macroeconomic statistics with an understanding of how they are calculated, use simple models of the macroeconomy to explain and evaluate macroeconomic policy actions of the Federal government and the Federal Reserve, and have an understanding of how these policies will impact the national economy.

B. **STUDENT LEARNING GOALS**

Mastery of the following learning goals will enable the student to achieve the overall course goal.

1. **Required Learning Goals**

   Upon satisfactory completion of this course, the student will be able to:

   a. Define basic economic concepts and players in the economy.

   b. Define and calculate aggregate measures of the macroeconomy and interpret their significance; describe the problems associated with the interpretation of these measures.

   c. Define, compare, and contrast major macroeconomic theories of output, employment, and income.

   d. Explain the banking and monetary system, and analyze the role of money, credit and the Federal Reserve.

   e. Describe the interrelationships among prices, income and interest rates as they affect consumption, saving, and investment.

   f. Analyze fiscal and monetary policy using macroeconomic models.

   g. Describe the role of international trade and finance in domestic economic activity, and the implications for domestic fiscal and monetary policy.

   h. Identify and analyze the factors that contribute to or hinder economic growth and development.

IV. **METHODS OF ASSESSMENT (TYPICAL)**

A. **FORMATIVE ASSESSMENT**

1. Class discussion of macroeconomic issues

2. Collaborative exercises in class: writing and problem-solving

3. Computer exercises

4. Essay, problem-solving exams

5. Objective tests and quizzes

6. Writing assignments: essays on current events, term papers, research projects

B. **SUMMATIVE ASSESSMENT**

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Meeting Date: 
EFFECTIVE: Summer 2009 
ECON 101 
APPROVED 

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1. Final exam that tests the students' understanding of the overall course material