

ECON 101: PRINCIPLES OF MACROECONOMICS

Citrus College Course Outline of Record

Heading	Value
Effective Term:	Fall 2021
Credits:	3
Total Contact Hours:	54
Lecture Hours :	54
Lab Hours:	0
Hours Arranged:	0
Outside of Class Hours:	108
Prerequisite:	MATH 150 OR concurrent enrollment in an algebra based math course OR completion of, or direct placement into, an algebra based transfer-level math course.
Strongly Recommended:	ENGL 101.
District General Education:	C1. Arts
Transferable to CSU:	Yes
Transferable to UC:	Yes - Approved
Grading Method:	Standard Letter, Pass/No Pass

Catalog Course Description

Introduction to the theory of aggregate economic analysis. Emphasis is on demand and supply, market systems, national income accounting, business cycles, unemployment, inflation, economic growth, macroeconomic equilibrium, money and banking, fiscal and monetary policy, international trade and finance. 54 lecture hours.

Course Objectives

- Identify, interpret and analyze macroeconomic graphs and data.
- Apply macroeconomic models to understand the economy.
- Analyze the economic impacts of monetary and fiscal policy.
- Demonstrate an understanding of the function of the central bank and the banking system.

Major Course Content

1. Fundamentals of Economic Thinking
 - a. Scarcity
 - b. Factors of Production
 - c. Circular Flow Chart
 - d. Marginal Analysis
 - e. Positive vs. Normative Analysis
 - f. Rational Choices
2. Opportunity Costs
 - a. Production Possibilities Curve
 - b. Law of Increasing Opportunity Cost
 - c. Economic Growth
 - d. Real Value vs. Nominal Value
3. Economic Systems

- a. Operation of Markets
 - b. Market Economic System and Command System
 - c. Fundamental Economic Questions
4. Demand and Supply
 - a. Law of Demand, Demand Curve and Market Demand
 - b. Changes in Demand and Changes in Quantity Demanded
 - c. Law of Supply, Supply Curve and Market Supply
 - d. Changes in Supply and Changes in Quantity Supplied
 - e. Market Equilibrium
 - f. Changes in Demand, Supply and Equilibrium
 5. Measuring Domestic Production and National Income
 - a. Gross Domestic Product
 - b. Expenditures Approach
 - c. Income Approach
 - d. Net Domestic Product, Personal Income, Disposable Income
 - e. Real GDP and Nominal GDP
 - f. Business Cycle
 6. Unemployment and Inflation
 - a. Unemployment Rate
 - b. Types of Unemployment
 - c. Labor Force Participation Rate
 - d. Inflation, Deflation and Hyperinflation
 - e. Measurement of Inflation and Price Indices
 - f. Real and Nominal Interest Rates
 7. Economy at Full Employment
 - a. Production Function
 - b. Wages and Demand and Supply for Labor
 - c. Labor Market Equilibrium and Full Employment
 8. Macroeconomic Relationships
 - a. Income-Consumption Model
 - b. Income-Savings Model
 - c. Expected Rate of Return
 9. Aggregate Demand and Aggregate Supply
 - a. Aggregate Demand
 - b. Changes in Aggregate Demand
 - c. Short Run and Long Run Aggregate Supply
 - d. Changes in Aggregate Supply
 - e. Equilibrium and Changes in Equilibrium
 10. Fiscal Policy
 - a. Expansionary and Contractionary Fiscal Policy
 - b. Fiscal Multiplier
 - c. Tax Multiplier
 - d. Deficits
 - e. Debt
 11. Money and Banking
 - a. Definition of Money, M1, M2, MZM
 - b. Federal Reserve System and the Banking System
 - c. Federal Open Market Committee
 - d. Functions of the Federal Reserve System
 - e. Expanding the Money Supply
 12. Monetary Policy
 - a. Demand for Money
 - b. Equilibrium Interest Rates

- c. Expansionary and Contractionary Monetary Policy
 - d. Tools of Monetary Policy
13. International Trade
- a. Comparative Advantage and Absolute Advantage
 - b. Domestic Opportunity Cost
 - c. Terms of Trade
 - d. Gains from Trade
 - e. Principle of Comparative Advantage
 - f. GATT, World Trade Organization, NAFTA, European Union
14. International Finance
- a. Exchange Rates
 - b. Balance of Payments
 - c. Trade Deficits
 - d. Fixed Exchange Rates
 - e. Flexible Exchange Rates
 - f. Depreciation and Appreciation

Suggested Reading Other Than Required Textbook

Wall Street Journal, Business Week, Economist, Forbes, New York Times Business Section, Los Angeles Times Business Section, or any other business periodical.

Examples of Required Writing Assignments

Do a Google search for budget simulation game. Play with the numbers and write a paragraph about the experience and what observations you made about it. Was there anything that surprised you? Share in class.

Examples of Outside Assignments

Choose a topic that has an ethical dimension like government's help to troubled homeowners, CEO pay, insurance coverage of experimental treatment, music piracy, agricultural price supports.... Research the subject with the goal of finding 2 arguments for the act and 2 counter arguments. Support your arguments with analysis, facts, or opinions of authority on the subject. Remember: Ethical arguments touch on questions of fairness, good and bad, personal benefit verses social benefit, freedom and violence....Value judgments. Discuss in class.

Instruction Type(s)

Lecture, Online Education Lecture

IGETC Area 4: Social and Behavioral Sciences

4B. Economics