ECON 2002: PRINCIPLES OF MACROECONOMICS

Citrus College Course Outline of Record

Heading	Value
Effective Term:	Fall 2026
Credits:	3
Total Contact Hours:	54
Lecture Hours :	54
Lab Hours:	0
Hours Arranged:	0
Outside of Class Hours:	108
Total Student Learning Hours:	162
Prerequisite:	Placement as determined by the college's multiple measures assessment process or completion of a course taught at or above the level of elementary algebra.
Strongly Recommended:	ENGL C1000.
District General Education:	D1. Social Science
Transferable to CSU:	Yes
Transferable to UC:	Yes - Approved
Grading Method:	Standard Letter, Pass/No Pass

Catalog Course Description

Common Course Description: An introductory course using models of the domestic and international economy to understand national income, unemployment, inflation, economic growth, inequality, the financial system, and monetary, fiscal, and other economic policies. Citrus College Details: Formerly ECON 101. 54 lecture hours.

Course Objectives

- Common Course Numbering Language: Interpret and analyze domestic and international macroeconomic data
- Common Course Numbering Language: Analyze the effects of macroeconomic policies
- Common Course Numbering Language: Apply macroeconomic models to explain economic issues and outcomes
- Citrus College Details: Apply macroeconomic models to understand the economy.
- Citrus College Details: Identify, interpret and analyze macroeconomic graphs and data.
- Citrus College Details: 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 / opportunity costs
    b. Factors of production
    c. Production possibilities
    d. Specialization and gains from trade
    e. Economic models and research methodology
2. **How markets operate**
    a. Definition of a market
    b. Supply and demand model
3. **Measuring the economy**
    a. National output and productivity
    b. Economic growth
    c. Price level (inflation)
    d. Business cycle
    e. Unemployment
    f. Inequality and Poverty
4. **Aggregate Demand / Aggregate Supply model**
5. **Financial system**
    a. Saving, investment, and interest rates
    b. Money creation and banking
    c. Role and function of central banks
    d. Monetary policy
6. **The role of the government in the macro economy**
    a. Government budget
    b. Fiscal policy
    c. Social policy
7. **International economics**
    a. Balance of payments
    b. Exchange rates
    c. International trade

Citrus College Details:

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