

Virginia Western Community College

ECO 201

Principles of Macroeconomics

Prerequisites

None

Course Description

Introduces macroeconomics including the study of Keynesian, classical, monetarist principles and theories, the study of national economic growth, inflation, recession, unemployment, financial markets, money and banking, the role of government spending and taxation, along with international trade and investments.

This course is an introduction to the economic institutions of our society. It focuses on supply and demand, income, taxation, money and banking, consumption, savings, and investments, deficits and the public debt. It applies these concepts and their relationships to problems such as: economic activity, employment and unemployment, inflation, growth and public policies.

Semester Credits: 3

Lecture Hours: 3

Required Materials

1. Textbook
2. Internet access
3. Blackboard

Textbook:

Schiller, Bradley. *Macro Economy Today*. New York: McGraw-Hill, 15th ed., 2016.
ISBN: 978-1-260-52339-3

Other Required Materials:

None

Course Outcomes

At the completion of this course, the student should be able to:

Explain the concept of Gross Domestic Product and the relationships between its component parts.

- Describe the principle types of unemployment and their causes.
- Define inflation, explain its causes and consequences and relate the general history of inflation in the US and selected international cases.
- Describe the general patterns and principle causes of business cycles in the US economy.
- Use the Aggregate Demand-Aggregate Supply model to explain fluctuations in the US economy and alternative policy options.
- Explain the nature and causes of national debt and deficits, the relationship between national savings and international financial balances and the consequences of excessive national debt.
- Explain how money functions in an economy, how it is created or destroyed and the macro consequences.
- Give a basic explanation of the quantity theory of money and its policy implications.
- Explain the basic tenants of supply side economics and its consequences for long run growth.
- Define growth and give a general explanation of the sources of growth. Explain the consequences of differences in growth rates over time using the rule of 72.
- State a plausible policy course for the economic situation existing and give a reasonable justification for alternative courses of action.
- Apply economic concepts to current events to understand underlying causes for situations.

Topical Description

1	Introduction to Economics and Macroeconomics
2	Global view of the US economy
3	Overview of global macroeconomic situation
4	Supply and Demand
5	The role of government in economics
6	Measuring macro outcomes
7	Unemployment
8	Inflation
9	Business Cycle
10	Aggregate demand
11	Self-adjustment or instability
12	Fiscal policy
13	Deficits and Debt
14	Money and Banks
15	Federal Reserve system
16	Monetary policy
17	Supply side policy
18	Growth and Productivity: Long run possibilities
19	Theory vs. Reality

Notes to Instructors