

# Virginia Western Community College

## ECO 150

### Economic Essentials: Theory and Application

#### Prerequisites

None

#### Course Description

Presents a broad overview of microeconomic and macroeconomic theory with application to current economic situations. Introduces concepts, policies, and theories in addition to models of domestic and global economies. Lecture 3 hours. Total 3 hours per week.

#### General Course Purpose

The purpose of this transfer level course is to provide students with an introduction to economic principles to increase understanding of domestic and global economic issues. This course serves as a lower division major requirement for programs requiring a basic understanding of economics.

**Semester Credits: 3**

**Lecture Hours: 3**

#### Required Materials

1. Textbook
2. Internet access
3. Canvas

#### **Textbook:**

Tucker, Irvin. *Bundle: Survey of Economics, Loose-leaf Version, + MindTap Economics, 1 term Printed Access Card*. KY: Cengage, 10<sup>th</sup> ed., 2019. ISBN: 9781337738477.

**Other Required Materials:**

None

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

Communication	<ul style="list-style-type: none"> <li>● Demonstrate college-level communication skills.</li> </ul>
Data Literacy	<ul style="list-style-type: none"> <li>● Identify economic similarities and differences among nations using statistical information.</li> <li>● Technological Competency.</li> <li>● Retrieve relevant economic data from web-based sources and databases.</li> </ul>
Critical Thinking Skills	<ul style="list-style-type: none"> <li>● Assess the credibility of given economic theories and economic data to determine whether certain conclusions or consequences are supported by the information provided.</li> </ul>
Definition and Scope of Economics Topics: Economic Behavior, Categories of Resources, Scarcity, Choice, and Opportunity Cost	<ul style="list-style-type: none"> <li>● Explain the social, historical, and economic impact of scarcity and choice on the individual as well as the domestic and global economy using economic and current applications.</li> </ul>
Market Interactions Topics: Competitive Markets, Demand and Supply, Market Equilibrium, Price Elasticity of Demand, Government Price Controls; Labor Market	<ul style="list-style-type: none"> <li>● Recognize differences in Market Supply and Demand. Identify the impact of changing prices versus changing determinants of supply and demand in theory and in practice.</li> <li>● Identify types of price controls, critical shortages or examples of surpluses in global markets.</li> <li>● Interpret the relationship between today's labor market and the demand and supply model.</li> <li>● Define and graph demand and supply of labor curves and include changes in the equilibrium wage rate and quantity of labor employed.</li> </ul>

	<ul style="list-style-type: none"> <li>● Interpret price elasticity of demand coefficient values and determine the direction of price changes to increase total revenue.</li> <li>● Determine the equilibrium price and quantity when given either data or a graph of Supply and Demand.</li> </ul>
Gross Domestic Product Topics: Expenditure Approach to measuring GDP; Real and Nominal GDP; Causes of Economic Growth	<ul style="list-style-type: none"> <li>● Distinguish between Real and Nominal GDP; calculate GDP Per Capita.</li> <li>● Compare and explain differences in the real GDP Growth Rate in different nations and situations.</li> </ul>
Inflation, Unemployment, and the Business Cycle Topics: Types and causes of unemployment and inflation; measuring inflation, the four parts of the business cycle	<ul style="list-style-type: none"> <li>● Connect short term fluctuations in the GDP growth rate with types of inflation and unemployment.</li> <li>● Retrieve data and explain differences in unemployment rates and inflation rates among nations.</li> <li>● Identify business cycle positions in theory and the current economy.</li> <li>● Calculate inflation and unemployment rates.</li> </ul>
Fiscal Policy and Monetary Policy Topics: Fiscal and Monetary policy Tools, National Debt, Government spending, and tax multipliers; Federal Reserve; money creation and deposit multiplier.	<ul style="list-style-type: none"> <li>● Identify tools of fiscal and monetary policy in the Macroeconomy.</li> <li>● Identify fiscal and monetary policymakers and their limitations.</li> <li>● Identify how expansionary or contractionary fiscal and monetary policies are used in various economies to address a specific economic problem.</li> <li>● Identify and calculate appropriate multipliers.</li> </ul>
Production and Costs Topics: Short Run Cost Curves and Long Run Cost Curves; Categories of Profit	<ul style="list-style-type: none"> <li>● Identify differences between perfectly competitive, natural monopoly and pure monopoly market structures.</li> <li>● Graph and explain how firms in each market determine price, output, and profit.</li> <li>● Identify economic profit, normal profit or loss from a graph.</li> </ul>
International Trade Topics: Comparative Advantage, Production Possibilities Frontier and	<ul style="list-style-type: none"> <li>● Calculate comparative advantage between two nations and be able to identify goods imported and exported in the context of the Production Possibilities Model.</li> <li>● Compare economies using protectionism versus free trade illustrating the advantages and disadvantages of both.</li> </ul>

Gains from Trade; Free trade and Protectionism	
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### **Major Topics to be Included**

1	Communication
2	Data Literacy
3	Technological Competency
4	Critical Thinking
5	Definition and Scope of Economics
6	Market Interactions
7	Gross Domestic Product
8	Inflation, Unemployment, and the Business Cycle
9	Fiscal Policy and Monetary Policy
10	Production and Costs
11	Market Structure
12	International Trade

### **Notes to Instructors**