

# Virginia Western Community College

## ECO 201

### Principles of Macroeconomics

#### **Prerequisites**

None

#### **Course Description**

Presents the fundamental macroeconomic concepts, theories, and issues including the study of scarcity and opportunity cost, supply and demand, national economic growth, inflation, recession, unemployment, fiscal and monetary policies, and international trade. Develops an appreciation of how these economic concepts apply to consumer, business, and government decisions, and their effect on the overall economy. This is a Passport Transfer course. Lecture 3 hours per week. 3 credits.

**Semester Credits: 3**

**Lecture Hours: 3**

#### **Required Materials**

1. Textbook
2. Internet access
3. Canvas

#### **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:**

Communication	<ul style="list-style-type: none"> <li>Effectively communicate economic theory and concepts.</li> </ul>
Problem Solving	<ul style="list-style-type: none"> <li>Identify and solve macroeconomic problems using economic theory and methodology.</li> </ul>

Course Major Topics	Specific Student Content Learning Outcomes for Topic/Unit The student will be able to...
Unit: Introduction to Economics Topics: Scarcity; Choice; Opportunity Costs; Comparative and Absolute Advantage	<ul style="list-style-type: none"> <li>Illustrate the impact of scarcity and choice with economic models.</li> <li>Analyze the differences between comparative and absolute advantage and demonstrate how trade can be beneficial with both.</li> </ul>
Unit: Demand and Supply Topics: Demand; Supply; Market Equilibrium	<ul style="list-style-type: none"> <li>Apply the demand and supply model.</li> <li>Analyze the impacts of the determinants on the demand and supply models.</li> <li>Illustrate market equilibrium on the demand and supply model.</li> <li>Analyze the impact of market failure on demand and supply.</li> </ul>
Unit: Measurements of the Economy Topics: GDP; Unemployment; Inflation; Economic Growth	<ul style="list-style-type: none"> <li>Define gross domestic product, inflation, unemployment, economic growth and how they are measured.</li> <li>Analyze the different types of GDP, inflation, unemployment and how they impact each other.</li> <li>Analyze the impacts of inflation and unemployment on economic growth.</li> <li>Compute statistical data to measure the status of the economy.</li> <li>Identify the differences in Classical, Keynesian and Austrian approaches to utilizing these metrics.</li> </ul>
Unit: Aggregate Demand Aggregate Supply Model	<ul style="list-style-type: none"> <li>Interpret the impact of determinants of the Aggregate Demand Aggregate Supply Model.</li> <li>Illustrate the changes on the ADAS Model.</li> </ul>

Topics: Aggregate Demand; Aggregate Supply; Equilibrium	<ul style="list-style-type: none"> <li>● Illustrate the impact of the fiscal multiplier on the ADAS Model.</li> </ul>
Unit: Fiscal Policy Topics: Government Spending; Taxation; Changes to ADAS Model	<ul style="list-style-type: none"> <li>● Analyze the impacts of fiscal policy on the economy.</li> <li>● Demonstrate the fiscal policy tools used to adjust the economy (government spending, taxation).</li> <li>● Illustrate the changes from fiscal policy on the ADAS Model.</li> </ul>
Unit: Monetary Policy Topics: Money; Banking; Federal Reserve; Tools of Monetary Policy; changes to ADAS Model	<ul style="list-style-type: none"> <li>● Analyze the impacts of monetary policy on the economy.</li> <li>● Demonstrate the monetary policy tools used to adjust the economy (open market operations, discount rate, required reserve ratio, interest on reserves, loanable funds market).</li> <li>● Illustrate the changes from monetary policy on the ADAS Model.</li> </ul>
Unit: International Trade Topics: Comparative Advantage; Exchange Rates; Barriers to Trade; Trade Agreements	<ul style="list-style-type: none"> <li>● Examine the economic principles underlying international trade.</li> <li>● Analyze exchange rates.</li> <li>● Analyze the impact of international trade on the domestic economy and purchasing power parity on GDP.</li> <li>● Illustrate the impact of international trade on the ADAS Model.</li> <li>● Illustrate the relationship between capital flows and trade deficits/surpluses.</li> </ul>

**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**