CUYAMACA COLLEGE
COURSE OUTLINE OF RECORD

Economics C2002 – Principles of Macroeconomics

3 hours lecture, 3 units

Catalog 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.

Formerly ECON 120. Not open to students with credit in ECON 120.

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.

Entrance Skills
Without the following skills, competencies and/or knowledge, students entering this course will be highly unlikely to succeed:
1) Work with, understand, and use algebraic terminology.
2) Write the equation of a line given a graph, two points, or a point and a slope.
3) Graph the equation of a line and a quadratic.
4) Solve equations and inequalities using the basic operations on complex numbers and statements including absolute value.
5) Translate sigma notation and write out sum of terms.
6) Recognize an arithmetic sequence.
7) Recognize a geometric sequence.
8) Simplify radical expressions using the basic operations.
9) Simplify and evaluate expressions involving integer exponents and rational exponents.
10) Use scientific notation.

Course Content
Part 1: Required Topics (Identical):
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

Part 2:

1) Cryptocurrencies
2) Healthcare

Course Objectives

Part 1:

At the conclusion of this course, the student should be able to (Identical and Required):

1. Interpret and analyze domestic and international macroeconomic data.
2. Apply macroeconomic models to explain economic issues and outcomes.
3. Analyze the effects of macroeconomic policies.

Part 2:

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

1) Using basic economic principles, identify the consequences of scarcity and explain how changes in opportunity cost affect behavior.
2) Using the model of supply and demand, describe how the interaction of supply and demand in a market determines market price and quantity, illustrate how markets react to excess demand and supply, and illustrate how price floors, price ceilings and taxes affect market outcomes.
3) Using government data, compute the measures of aggregate economic activity: domestic product, national income, unemployment and inflation; apply these measures of economic activity to the behavior of the business cycle; explain the difference between nominal and real measures of the economy.
4) Using the aggregate supply and demand model, distinguish between long run and short run equilibrium in the macroeconomy; explain how the macroeconomy reaches equilibrium and how it moves from equilibrium to equilibrium; identify the factors that can change the price level, Real GDP and the unemployment rate.
5) Utilize the Classical, Keynesian, Monetarist and Supply-side approaches to model the economy's movement to full employment.
6) Utilize the Keynesian model to explain how and under what conditions the multiplier works, and identify the difference between expansionary and contractionary fiscal policy.
7) Identify the differences between demand-side and supply-side fiscal policy, and provide examples of how each might be used to shape national fiscal policy.
8) Using materials provided in class/textbook, explain what money is, how it is created, and its role in determining macroeconomic equilibrium; explain the Federal Reserve System's role in determining macroeconomic equilibrium; explain the difference between the activist and non-activist approach as it applies to monetary policy and the impact of expectations and lags in the implementation of monetary policy.
9) Using various growth models presented in class, discuss the causes of economic growth and identify policies to promote economic growth.
10) Using opportunity cost data, explain comparative advantage and how it affects trade.

11) Using economic principles developed in class/textbook, explain how international trade transactions work and explain how and why nations restrict trade.

Method of Evaluation
Part 1:
Assessments for this course will include both formative and summative assignments that may include some or all of the following:

Exams and Quizzes containing one or more:

- Multiple Choice questions
- Short answers
- Problem Solving
- True/False
- Essays

Other Assessments:

- Problem sets
- Online or in-class discussions
- Presentations
- Group projects
- Experiments
- Current event analysis
- Term papers

Assessed written work may include any of the following (colleges are encouraged to work with local CSU and UC departments to determine writing requirements):

- Current event analysis
- Discussion boards
- Essay questions on exams
- Term papers

Methods of evaluation are at the discretion of local faculty.
Part 2:
A grading system will be established by the instructor and implemented uniformly. Grades will be based on demonstrated proficiency in subject matter determined by multiple measurements for evaluation, one of which must be essay exams, skills demonstration or, where appropriate, the symbol system.

1) Graphing exercises that measure students' ability to use the fundamental principles of economics to illustrate how the economy responds to changes in real world conditions. For example, students will use production possibilities curves to illustrate scarcity, opportunity cost and economic growth; use in supply and demand curves to determine market prices; use aggregate supply and aggregate demand curves to determine macroeconomic equilibrium; or use Phillips Curves to illustrate the tradeoff between inflation and unemployment.
2) Homework assignments using mathematical functions introduced in class to calculate various economic variables. For example, students will calculate real GDP or the potential expansion of the money supply.
3) Objective and essay exams and quizzes that measure students' ability to apply economic principles discussed in class. For example, students will identify the consequences of scarcity, explain how changes in opportunity cost affect behavior, understand the interaction of supply and demand in a market, or explain the basis for international trade.

4) Short papers that demonstrate students' ability to compare and contrast Classical, Keynesian, Monetarist and Supply-side approaches to moving the economy to full employment. For example, students will use business magazines to research various legislative proposals to improve the performance of the macroeconomy.

Special Materials Required of Student
None

Minimum Instructional Facilities
Standard classroom

Method of Instruction
1) Lecture and discussion
2) Preview of assignments, review of completed assignments
3) Problems for discussion and response
4) Internet research

Out-of-Class Assignments
1) **Reading:** lecture/reading notes; course materials; textbook chapters; articles; multimedia content.
2) **Writing:** short papers that demonstrate students' ability to compare and contrast Classical, Keynesian, Monetarist, and Supply-side approaches to moving the economy toward full employment, incorporating research from business magazines and analysis of legislative proposals aimed at improving macroeconomic performance.
3) **Other:** homework assignments that use mathematical functions introduced in class to calculate various economic variables, such as calculating real GDP, estimating the potential expansion of the money supply, and others.

Texts and References
Part 1:
These are representative texts. Texts used by individual institutions and even individual sections will vary.

These are two-semester textbooks covering both Macroeconomics and Microeconomics. The one-semester edition covering only Macroeconomics is acceptable as is any other equivalent textbook, including an OER textbook.

- Arnold, R., Arnold, D., & Arnold, D. (2023) Economics. Mason, OH: Cengage Learning.
- Colander, D. (2019) Economics. New York: McGraw-Hill Irwin.
- Coppock, L. & Mateer. (2023) Principles of Economics, Norton.
- The CORE Econ Team. The Economy 2.0, CORE Econ.
- Cowen, T., & Tabarrok, A. (2021) Modern Principles of Economics. New York: Worth.
- Frank, R. H., & Bernanke, B. S. (2024) Principles of Economics. New York: McGraw-Hill Irwin.
- Greenlaw, S., Shapiro, D., & MacDonald, D. Principles of Economics 3e. Houston, TX: OpenStax.
- Hubbard, R. G., & O'Brien, A. P. (2024) Economics. Boston: Pearson.
- Krugman, P. & Wells, R. (2024) Economics. New York: Worth.
- Mankiw, N. G. (2024) Principles of economics. Mason, OH: Cengage Learning.
- McConnell, C. R., Brue, S. L., & Flynn, S. M. Economics: Principles, problems and policies. New York: McGraw-Hill Irwin.
- Parkin, M., (2023) Economics, New York: Pearson
- Rittenberg, L., & Tregarthen, T. (2021) Principles of economics. Flat World Knowledge.
- Schneider, G., (2023) Macroeconomic Principles and Problems: A Pluralist Introduction. New York: Routledge.
- Stevenson, B. & Wolfers, J. (2023) Principles of Economics, New York: Worth.
- Tucker, I. B. (2023) Economics for today. Mason, OH: Cengage Learning.

Part 2:

1) Required (representative example): Mateer/Coppock, Principles of Macroeconomics, 4th edition, W. W. Norton, 2023.
2) Supplemental: None

Student Learning Outcomes

Upon successful completion of this course, students will be able to:

1) Use the framework of supply, demand, consumers' surplus, or producers' surplus to show how changes in economic variables affect market outcomes.
2) Recognize and apply economic theory in everyday life.
3) Gather real world data and identify the relationships between macroeconomic datum, such as the annual GDP growth rate, unemployment rate, and rate of inflation.
4) Identify and explain the reasoning behind theoretically appropriate monetary and fiscal policies for the two phases of the business cycle.