

CUYAMACA COLLEGE
COURSE OUTLINE OF RECORD

ECONOMICS 110 – ECONOMIC ISSUES AND POLICIES

3 hours lecture, 3 units

Catalog Description

A one-semester course that provides general elementary knowledge of basic economic concepts and serves as an introduction to more advanced economics courses. Surveys current economic subjects including consumer economics, inflation, recession, competition, monopoly, world trade and competing economic systems. *Not open to students with credit in ECON 120 or 121.*

Prerequisite

None

Course Content

- 1) Introduction
 - a. Economic choices
 - b. Economic system
 - c. Economic goals
- 2) Microeconomics
 - a. Market pricing
 - b. The consumer
 - c. Structure of business
 - d. Performance of business
 - e. Government and business
 - f. Labor
- 3) Macroeconomics
 - a. Unemployment and inflation
 - b. Money
 - c. The economy's output
 - d. Stabilizing the economy
 - e. Income distribution
 - f. Economic growth
- 4) World Economics
 - a. International trade
 - b. Comparing economic systems
 - c. Third world development

Course Objectives

Students will be able to:

- 1) Identify the consequences of scarcity, and explain how changes in opportunity cost affect behavior using basic economic principles.
- 2) Using concepts introduced in class, distinguish between the various economic systems.
- 3) Using the supply and demand model, 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 and price ceilings affect market outcomes.
- 4) Using formulas introduced in class, compute the price elasticity of demand, and explain the relationship between elastic, inelastic, and unit elastic demand and total revenue.

- 5) Using formulas developed in class and in the textbook, distinguish between implicit and explicit costs, accounting and economic profit, and between the short-run and the long-run in order to compute and graph the following: marginal product; average product; marginal cost; and average fixed, average variable, and average total cost.
- 6) Using models developed in class and found in the textbook, compare and contrast pricing and output behavior of firms in perfect competition, monopoly, monopolistic competition, and oligopoly, then evaluate how and why government intervenes to change the structure and behavior of firms in monopolistic and imperfectly competitive markets.
- 7) Using basic economic input market models, compare and contrast how wages are set in the following markets: competitive labor market, monopoly labor market, monopsony, and bilateral monopoly; differentiate between rent, interest, and profits as incomes determined in markets.
- 8) 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; and explain the difference between nominal and real measures of the economy.
- 9) 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; and identify the factors that can change the price level, Real GDP, and the unemployment rate.
- 10) Utilizing the Keynesian model to explain how, and under what conditions, the multiplier works and identifying the difference between expansionary and contractionary fiscal policy.
- 11) Using materials provided in class and in the 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; and 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.
- 12) Using opportunity cost data, explain comparative advantage and how it affects trade.
- 13) Using economic principles developed in class and in the textbook, explain how international trade transactions work, and explain how and why nations restrict trade.

Method of Evaluation

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 and opportunity cost; use in supply and demand curves to determine market prices; use cost and revenue curves to determine profit maximizing level of production and to compare and contrast the various market structures; use input markets curves to illustrate how wages are determined in competitive, monopoly, and monopsony labor markets; 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 price elasticity of demand to determine whether demand is inelastic or elastic; calculate total revenue and total cost to determine a firm's profit; and 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; explain the difference between the various economic systems; understand the interaction of supply and demand in a market; link total revenue to price elasticity of demand; distinguish between the four basic market structures; identify the reasons for government intervention in markets; or explain the basis for international trade.

- 4) Short papers that demonstrate students' ability to compare and contrast pricing and output behavior of firms in perfect competition, monopoly, monopolistic competition, and oligopoly or to compare and contrast the various approaches to moving the economy to full employment. For example: students will use business magazines to research pricing and output decisions of major companies; or research various legislative proposals to improve the performance of the macroeconomy.

Special Materials Required of Student

None

Minimum Instructional Facilities

Smart classroom

Method of Instruction

- 1) Lecture and discussion for on-campus or hybrid sections
- 2) Discussion boards, instructor or student presentations, or guest speakers for online sections

Out-of-Class Assignments

- 1) Assigned reading in text and supplements
- 2) Writing reports and case studies

Texts and References

- 1) Required (representative example): Mateer/Coppock. *Essentials of Economics*. 2nd edition. W.W. Norton, 2020.
- 2) Supplemental: None

Student Learning Outcomes

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

- 1) Explain the importance of microeconomics, macroeconomics, behavioral economics, international trade, elasticity, supply, demand, labor markets, scarcity, marginal thinking, incentives, and the impact of healthcare on the economy.
- 2) Compare and contrast government intervention methods and pricing and output behavior of firms in differing market structures. (Work Based Learning Outcome)
- 3) Evaluate government data to directly apply the measures of aggregate economic activity including gross domestic product, national income, unemployment, inflation, interest rates, the business cycle, and other macroeconomic variables inclusive within the economy.