NORTHWESTERN CONNECTICUT COMMUNITY COLLEGE

COURSE SYLLABUS

Course Title: Principles of Macroeconomics **Course:** ECN* 101

Course Description: 3 credits
Economics is a social science and like the physical sciences is a tool for breaking down complex problems into simpler parts that can be analyzed one at a time (Nasar, 2011). Alfred Marshall, 1873, described economics as an "organon", an instrument or analytical tool used in acquiring a body of scientific principles. Consistent with scientific empirical experiments, Marshall envisioned that the governing dynamics of economic theory would continually require perfection (Nasar, 2011).

> "*Macroeconomics was born as a distinct field in the 1940s, as a part of the intellectual response to the Great Depression. The term then referred to the body of knowledge and expertise that we hoped would prevent the recurrence of that economic disaster*" (Robert Lucas in Krugman, 2012, p. 91).

Today, macroeconomics is concerned with the general state of a country's economy and the degree to which the economy uses and expands its capacity for producing goods and services. That is, the efficient and effective deployment of scarce resources. As a result, macroeconomics deals with some of the most controversial and market system performance issues of our time – globalization, growth, uncertainty, inflation, deflation, taxes, interest rates, income determination, unemployment, budget deficits, leveraging, deleveraging, GDP, currency valuation, foreign direct investment, financial crises, the role of government, and the central bank "…acting on their own, central banks cannot deliver the needed good outcome involving that important and quite elusive combination of high and inclusive growth, plentiful well-paying jobs, low and stable inflation, and genuine well-anchored financial stability. Governments and politicians need to be more constructively engaged in the endeavor with central banks,…" (El-Erian, 2016, p. 6).

A nation's myopic vision of the future and inconsistent strategic planning can lead to government failure, "the situation where the government fails to improve on the market or even makes things worse" (Taylor & Weerapana, 2012, p. 16) and will eventually result in market failure, "any situation in which the market does not lead to an efficient economic outcome and in which the government has a potential role" (Taylor & Weerapana, 2012, p. 16).

Pre-requisite/Co-requisite: Eligibility for ENG* 101 (or ENG* 101W) and MAT* 137x.

Goals: The overall course goals are:

1. To interpret and illustrate basic macroeconomic terms, concepts, and models. Models are a big part of this course!
   "By the late twentieth century, economics had become heavily dependent on a set of reasoning tools that economists now call 'models': small mathematical, statistical, graphical, diagrammatic, and even physical objects that can be manipulated in various different ways…. Models in economics are still mostly pen-and-paper objects depicting some aspect of the economy in a schematic, miniaturized, simplified, way." (Morgan, 2012, p. 2-3).
2. To evaluate the key theories impacting economic performance and competitive advantage of nations (Porter, 1990).
3. To compare and contrast the key components of fiscal and monetary policy.
4. To compare and contrast the similarities and differences between various economic systems.

5. To describe and critique a nation's growth strategy in the globalized world. Here, we will be looking at the United States and India, mostly. We will also take a brief look at Bangkok , Thailand.

Outcomes: Upon completion of this course, students should be able to:

1. Interpret data presented in tabular and graphical form.
2. Apply the concepts of supply and demand and be able to distinguish between movement along the curve to a shift in the supply and demand curves.
3. Examine the interdependence between GDP, interest rates, total employment and inflation (Keynesian economic view).
4. Describe globalization.
5. Describe and interpret the economic business cycles, including the double-dip phenomenon.
6. Inspect the impact of the Federal Reserve actions on the banking system and money supply.
7. Analyze the components of the Spending Allocation Model (Expenditures GDP model).
8. Interpret the Consumer Price Index (CPI).
9. Differentiate between the types of unemployment.
10. Distinguish between various types of money (Keynes).
11. Examine the impact of resource allocation inefficiencies upon a nation's Production Possibilities Frontier.
12. Illustrate the multiple expansion of bank deposits process.
13. Identify the purposes of the Federal Reserve System.
14. Appraise Porter's (1990) – mutually reinforcing Diamond Model.
15. Contrast the factors that will result in a shift in the supply or demand curves.
16. Compare and contrast absolute advantage, comparative advantage and competitive advantage.
17. Calculate the elasticity of Demand & Supply.
18. Describe the Phillips Curve trade-off between the inflation rate and unemployment rate.