



**MERCER**  
COUNTY COMMUNITY COLLEGE

## COURSE OUTLINE

**Course Number**  
**ECO 111**

**Course Title**  
**Macroeconomics**

**Credits**  
**3**

**Hours:**  
**Lecture/Lab/Other**

**Co- or Pre-requisite**  
**ENG 101 and MAT-038 or MAT-044 with grade C or higher.**

**Implementation Semester & Year**  
**Spring 2022**

**3/0**

**Catalog description:]**

Analysis of the determinants of aggregate income, output, employment and price level under various market conditions. Includes national income and product account, consumption and investment theory, government stabilization via fiscal and monetary policy, macroeconomic impact of international trade and finance, and inflation-unemployment trade-off controversies.

**General Education Category:**  
**Goal 5: Social Science**

**Course coordinator:**

Professor: Framarz\_Khoushab

Office: BS114  
Phone: 609-584-4800 ext. 3448  
E-mail: khoushaf@mccc.edu

**Required texts & Other materials:]**

Title: *Economics*  
Author: McConnell and Brue  
Publisher: McGraw-Hill, 22<sup>nd</sup> edition  
ISBN Rental-9781260226775; loose-leaf is 9781264112272

**Course Student Learning Outcomes (SLO):**

The aim is to equip students with an economic “tool kit” consisting of current macroeconomics theory for analyzing and explaining aggregate economic issues such as unemployment and inflation. Upon completion of the course, the student will be able to:

1. Apply the theoretical model developed in lecture and problem solving techniques to understand real world phenomena. **(Supports ILG 1,2,5,8,11 ; PLO 1,2,3,4,5)**
2. Explain the role of fiscal and monetary policy. **(Supports ILG1,2,5,8,11 ; PLO 1,2,3,4,5)**

3. Explain how the following aggregate economic variables under inflation GDP, unemployment, and labor force, are defined and measured. **(Supports ILG 1,2,5,8,11 ; PLO 1,2,3,4,5)**
4. Explain how the Federal Reserve conducts monetary policy. **(Supports ILG 1,2,5,8,11 ; PLO 1,2,3,4,5)**
5. Explain the main sources of economic growth and discuss the cost and benefit of economic growth. **(Supports 1,2,5,8,11 ; PLO 1,2,3,4,5)**

### **Course-specific Institutional Learning Goals (ILG):**

- **Institutional Learning Goal 1. Written and Oral Communication in English.** Students will communicate effectively in both speech and writing.
- **Institutional Learning Goal 2. Mathematics.** Students will use appropriate mathematical and statistical concepts and operations to interpret data and to solve problems.
- **Institutional Learning Goal 5. Social Science.** Students will use social science theories and concepts to analyze human behavior and social and political institutions and to act as responsible citizens.
- **Institutional Learning Goal 8. Diversity and Global Perspective:** Students will understand the importance of a global perspective and culturally diverse peoples
- **Institutional Learning Goal 11. Critical Thinking:** Students will use critical thinking skills understand, analyze, or apply information or solve problems.

### **Program Learning Outcomes for Business Administration AS degree, Global Business concentration, and Sport Management concentration**

1. Formulate an analytical and quantitative approach to problem solving;
2. Demonstrate an understanding of the role of U.S. business in a globalized society;
3. Acquire effective business communication skills, including computer literacy;
4. Develop the foundation necessary to continue studies in fields such as economics, finance, accounting, management, marketing, and human resources;
5. Use the economic way of thinking in everyday life.

### **Unit 1: Introduction to Basic Economic Problems**

- I. Scarcity and Production Possibility Model
- II. Macroeconomics and Microeconomics
- III. Supply and Demand
- IV. Economic Systems
- V. Markets and the Invisible Hand Doctrine

#### **Learning Objectives (Supports SLO 1)**

##### **Students will be able to**

- Explain opportunity cost.
- Define economics and distinguish between microeconomics and macroeconomic
- Distinguish between quantity demanded and what determines demand.
- Distinguish between quantity supplied and supply and what determines supply.
- Explain how supply and demand determine equilibrium price and quantity. Explain the concepts of surplus and shortages.
- Demonstrate a graphical illustration of supply and demand and equilibrium price and quantity.

## **Unit 2: Measuring Economic Activity**

- I. Measurements of Gross Domestic Product (GDP)
- II. Measurement of Unemployment
- III. Inflation

### **Learning Objectives: (Supports SLO 1,3,5)**

The student will be able to:

- Calculate GDP, NDP, NI, DI
- Apply the method of adjusting a given year's GDP for price changes.
- Explain the business cycle and its phases.
- Explain unemployment and its types.
- Explain inflation its types and impact

## **Unit 3: Theory of output, employment and income and the impact of fiscal policy**

- I. Income-Consumption Relationship
- II. Aggregate Expenditure Models
- III. Aggregate Demand (AD), and Aggregate Supply (AS)
- IV. Fiscal Policy

### **Learning Objectives: (support SLO 1,2,3,5)**

The student will be able to:

- Explain, illustrate and analyze "modern employment theory" in a "private domestic economy
- Examine the impact of government spending and taxes on income and employment
- Explain the influence of change in consumer or investment spending on equilibrium income and output.
- Use mathematical approach to calculating equilibrium level of income and output.
- Distinguish between discretionary fiscal policy and non-discretionary fiscal policy.
- Explain the concept of budget multiplier.
- Interpret the impact of changes in Aggregate Supply

## **Unit 4: The Monetary System and the Creation of Money**

- I. Money And Its Function
- II. How Banks And Thrifts Create Money
- III. Federal Reserve And Monetary Policy

### **Learning Objectives (Support SLO 1,2,3,4,5)**

The student will be able to:

- Explain the institutional framework of the US commercial banking system.
- Explain the structure and functions of the Federal Reserve System
- Mathematically illustrate the concept of a deposit expansion multiplier. (

- By using the concept of the deposit-expansion multiplier, mathematically demonstrate why the commercial banking system as a whole will act in the same fashion as a monopoly bank.
- Explain the monetary approach to economic equilibrium with particular attention given to the role at the income velocity of money.

### **Unit 5: Problems and Controversies in Macroeconomics**

- I. Inflation-Unemployment Relationship (Phillips Curve)
- II. Accounting for Growth
- III. The Productivity Acceleration, New Economy
- IV. Public Debt
- V. Dispute Over Macroeconomic Theory

### **Learning Objective (Support SLO 1,2,3,4,5)**

The student will be able to:

- Explain the difference between Keynesian and Monetarist approaches to economic stability
- Explain the following aspects of the public debt:
  - dimension of the debt
  - myths surrounding the public debt
  - real burden of the debt
- Explain stagflation, Phillips curve, the accelerations view, rational expectations, hypothesis and supply side economics.)

### **Evaluation of student learning:**

Test No.	1 Unit 1	25%
Test No.	2 Unit 2	25%
Test No.	3 Unit 3	25%
Test No.	4 Unit 4	25%

