

Northern Marianas College

CURRICULUM ACTION REQUEST

Effective Semester / Session: Fall 2020

Type of Action:

- New
- Modification
- Move to Inactive (Stop Out)
- Cancellation

Course Alpha and Number: EC 211

Course Title: Principles of Macroeconomics

Reason for initiating, revising, or canceling:

This course guide has been updated to reflect the change in the textbook.

Wilhelm Maui

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| Wilhelm Maui | 05/27/20 |
| Proposer | Date |
| <i>[Signature]</i> | |
| Velma C. Deleon Guerrero | 05/28/20 |
| Interim Director, School of Business | Date |
| <i>[Signature]</i> | |
| Adam Walsh | 05/28/20 |
| Language & Format Review Specialist | Date |
| <i>Ajani Burrell</i> | |
| Ajani Burrell | 05/28/20 |
| Academic Council Chair | Date |
| <i>[Signature]</i> | |
| Charlotte R. Cepeda | 05/28/20 |
| Dean, Learning and Student Success | Date |

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Course Guide

Course: EC 211 – Principles of Macroeconomics

1. Department

School of Business

2. Purpose

This course covers the economizing problem, the market system, and other core topics in economics as a discipline. It focuses on laws, principles, theories, problems and policies which are macroeconomic in nature including total production in the economy; total resource allocation; economic growth; national income accounting; aggregate demands, aggregate supply and market equilibrium analysis; employment and unemployment; inflation; money and banking, and international economics. This course fulfills a requirement for the B.S. in Business Management, the B.S. in Business Management Accounting Concentration, the A.A. degree in Business, the A.A.S. degrees in Business Administration with emphasis in Accounting, Business Management, and Computer Applications, and the Certificate in Completion in Business Management. It is elective in the A.A. degree in Liberal Arts. This course equips students with knowledge and skills to deal with daily economic issues encountered in academics, in business, and in personal life. It looks at things from an economic perspective.

3. Description

A. Required/Recommended Textbook(s) and Related Materials

Required:

McEachern, William A. (2019). *Macro Econ: Principles of Macroeconomics 6th ed.* Boston: Cengage.

Readability level: College Level

B. Contact Hours

1. **Lecture:** 3 hours per week / 45 per semester
2. **Lab:** None
3. **Other:** None

C. Credits

1. **Number:** 3
2. **Type:** Regular degree credits

D. Catalogue Course Description

This is the first of the two principles of economics courses. This course will cover the economizing problem, the market system, and other core topics in economics as a discipline. This course focuses on laws, principles, theories, problems and

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policies which are macroeconomic in nature including total production in the economy; total resource allocation; economic growth; national income accounting; aggregate demand, aggregate supply and market equilibrium analysis; employment and unemployment; inflation; money and banking; and international economics. Prerequisites: CS 103. English Placement Level: EN 202. Math Placement Level: MA 132.

E. Degree or Certificate Requirements Met by Course

This is a required course of the B.S. in Business Management, the B.S. in Business Management Accounting Concentration, the A.A. degree in Business, the A.A.S. degrees in Business Administration with emphasis in Accounting, Business Management, and Computer Applications, and the Certificate in Completion in Business Management. This course is an elective course for the A.A. degree in Liberal Arts.

F. Course Activities and Design

This course consists of class lectures, in-class exercises, homework assignments, online exercises, in-class exams, and take-home exams. Exercises and homework come from the textbook, the Web site that supports the textbook, and local publications.

4. Course Prerequisite(s); Concurrent Course Enrollment; Required English/Mathematics Placement Level(s)

Prerequisite: CS 103

English Placement Level: EN 202

Math Placement Level: MA 132

5. Estimated Cost of Course; Instructional Resources Needed

Cost to the College: Instructor's salary

Cost to the Student: Tuition for a three-credit course, and the cost of the textbook.

Instructional resources needed for this course include, multi-media system, whiteboard, and dry-erase markers.

6. Method of Evaluation

Student learning will be evaluated on by essays, homework, and quizzes and tests. :

NMC's grading and attendance policies will be followed.

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7. Course Outline

This is a topical outline and does not necessarily indicate the sequence in which the material will be presented.

- 1.0 Economics Overview
 - 1.1 Theories, Principles, and Models
 - 1.2 Macroeconomics and Microeconomics
 - 1.3 Unemployment and growth

- 2.0 The Market System and the Circular Flow
 - 2.1 Characteristics of the Market System
 - 2.2 The Circular Flow

- 3.0 Demand, Supply, and Market Equilibrium
 - 3.1 Relationship between supply and Demand Fundamentals of market Equilibrium

- 4.0 The U.S. Economy: Private and Public Sector
 - 4.1 Households as income receivers and spenders
 - 4.2 The Public Sector: Government's role

- 5.0 The United States in the Global Economy
 - 5.1 Government and Trade
 - 5.2 Multilateral Trade Agreements and Free-Trade Zones
 - 5.3 Global Competition
 - 5.4 Gross Domestic Product (GDP) Assessing the Economy's Performance
 - 5.5 Expenditure and income Nominal GDP versus Real GDP
 - 5.6 Shortcomings of GDP

- 6.0 Economic Growth and Instability
 - 6.1 Economic Growth
 - 6.2 The Business Cycle
 - 6.3 Unemployment
 - 6.4 Inflation

- 7.0 Basic Macroeconomic Relationships
 - 7.1 Relationship between income consumption and savings Interest rates and the multiplier effect

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- 8.0 Aggregate Demand and Aggregate Supply (AD-AS)
 - 8.1 Relationship between supply and demand
Changes in equilibrium
- 9.0 Fiscal Policy, Deficit, and Debts
 - 9.1 Evaluation of fiscal policy Built in stability Problems and complications
- 10.0 The Federal Reserve and the banking system
 - 10.1 Functions of Money
 - 10.2 Components of money supply: Expansion of the banking system
- 11.0 Interest Rates and Monetary Policy
 - 11.1 Tools of Monetary Policy
 - 11.2 Targeting the Federal Funds Rate

8. Instructional Goals

This course will introduce students to:

1. The economizing problem as a fundamental goal in economics as a discipline and free market as the economic system through which most goods and services are made available to society;
2. The laws of demand and supply, how they are used to model the equilibrium price and quantity in the marketplace, and applying the model, given hypothetical problem situations;
3. The Circular Flow Model and how it is used to depict the major sectors of the US economy and its relation to the Global economy;
4. The concept of the National Income Accounting and how to derive the Gross Domestic Product (GDP) and other sub-accounts, given hypothetical data;
5. The basic macroeconomic goals of economic growth, unemployment, and inflation, how they are defined and measured, and how to derive these measures, given hypothetical data;
6. The concept of the multiplier and the context in which it occurs, its relationship to other variables, and how to derive this measure, given hypothetical data;

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7. The Aggregate Demand and Aggregate Supply (AD-AS) model and how to use it in context of macroeconomics fiscal policy, given hypothetical economic situations;
8. The concept of money, the functions that money plays in the economy, how money is created, and its role in macroeconomics policies; and
9. The concept of comparative advantage in international trade and the foreign exchange market system.

9.0 Student Learning Outcomes

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

1. Explain the economizing problem in both the micro and macroeconomics context and describe the market system and its role in the pursuit of the economizing problem.
2. Use the Circular Flow Model Illustrate the US economy's major components and its relation to the rest of the world's economy.
3. Define the Laws of Demand and Supply and use the demand and supply model to determine price and quantity in the market.
4. Define and derive the Gross Domestic Product (GDP) and its subaccounts given a set of hypothetical data;
5. Define economic growth, unemployment, and inflation; and derive them, given hypothetical data, and discuss their importance as key macroeconomic performance indicators.
6. Apply the Aggregate Demand and Aggregate Supply (AD-AS) model in relation to macroeconomic fiscal policy; and
7. Define money, explain how it is created, identify the major functions it plays in the economy, and describe monetary policy as a major macroeconomic tool.
8. Explain comparative advantage as the basis for international trade and describe the foreign exchange market system.

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10. **Assessment Measures**

Assessment of student learning may include, but not be limited to, the following:

- 1.0 Essays;
- 2.0 Quizzes;
- 3.0 Homework;
- 4.0 In-class tests; and
- 5.0 Take home tests.