

NOVA COLLEGE-WIDE COURSE CONTENT SUMMARY ECO 201 – PRINCIPLES OF MACROECONOMICS (3 CR.)

Course Description

Presents the fundamental macroeconomic concepts, theories, and issues including the study of scarcity and opportunity cost, supply and demand, national economic growth, inflation, recession, unemployment, fiscal and monetary policies, and international trade. Develops an appreciation of how these economic concepts apply to consumer, business, and government decisions, and their effect on the overall economy. This is a Passport and UCGS Transfer course. Lecture 3 hours per week.

General Course Purpose

Principles of Macroeconomics is a course in economics for students whose college and career paths require knowledge of the fundamentals of concepts, theories, and issues which influence the economy overall. Emphasis is placed upon the development of an appreciation of how these apply to consumer and business decisions, and their effect on the overall economy. To that end, students will utilize economic data collection methods and models to support reasonable conclusions.

Course Prerequisites/Corequisites

None.

Course Objectives

Upon completing the course, the student will be able to:

Communication

- Effectively communicate economic theory and concepts.

Problem Solving

- Identify and solve macroeconomic problems using economic theory and methodology.

Introduction to Economics

Topics: Scarcity; Choice; Opportunity Costs; Comparative and Absolute Advantage

- Illustrate the impact of scarcity and choice with economic models.
- Analyze the differences between comparative and absolute advantage and demonstrate how trade can be beneficial with both.

Demand and Supply

Topics: Demand; Supply; Market Equilibrium

- Apply the demand and supply model.
- Analyze the impacts of the determinants on the demand and supply models.
- Illustrate market equilibrium on the demand and supply model.
- Analyze the impact of market failure on demand and supply.

Measurements of the Economy

Topics: GDP; Unemployment; Inflation; Economic Growth

- Define gross domestic product, inflation, unemployment, economic growth and how they are measured.
- Analyze the different types of GDP, inflation, unemployment and how they impact each other.
- Analyze the impacts of inflation and unemployment on economic growth.
- Compute statistical data to measure the status of the economy.
- Identify the differences in Classical, Keynesian and Austrian approaches to utilizing these metrics.

Aggregate Demand Aggregate Supply Model

Topics: Aggregate Demand; Aggregate Supply; Equilibrium

- Interpret the impact of determinants of the Aggregate Demand Aggregate Supply Model.
- Illustrate the changes on the ADAS Model.

Fiscal Policy

Topics: Government Spending; Taxation; Changes to ADAS Model

- Analyze the impacts of fiscal policy on the economy.
- Demonstrate the fiscal policy tools used to adjust the economy (government spending, taxation).
- Illustrate the changes from fiscal policy on the ADAS Model.
- Illustrate the impact of the fiscal multiplier on the ADAS Model.

Monetary Policy

Topics: Money; Banking; Federal Reserve; Tools of Monetary Policy; changes to ADAS Model

- Analyze the impacts of monetary policy on the economy.
- Demonstrate the monetary policy tools used to adjust the economy (open market operations, discount rate, required reserve ratio, interest on reserves, loanable funds market).
- Illustrate the changes from monetary policy on the ADAS Model.

International Trade

Topics: Comparative Advantage; Exchange Rates; Barriers to Trade; Trade Agreements

- Examine the economic principles underlying international trade.
- Analyze exchange rates.
- Analyze the impact of international trade on the domestic economy and purchasing power parity on GDP.
- Illustrate the impact of international trade on the ADAS Model.
- Illustrate the relationship between capital flows and trade deficits/surpluses

Major Topics to be Included

Introduction to Economics

Demand and Supply

Measurements of the Economy

Aggregate Demand Aggregate Supply Model

Fiscal Policy

Monetary Policy

International Trade