

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

Course Description

Introduces macroeconomics including the study of Keynesian, classical, monetarist principles and theories, the study of national economic growth, inflation, recession, unemployment, financial markets, money and banking, the role of government spending and taxation, along with international trade and investments. Lecture 3 hours per week.

General Course Purpose

This course is designed to introduce the basic principles of economic knowledge so that students may learn about the operation of the U.S. economy, and gain a better understanding of current issues and problems that affect everyday lives.

Course Prerequisites/Corequisites

None

Course Objectives

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

- a) Describe the foundation of current economic thought and identify basic economic issues (recession, inflation, unemployment, and income distribution) facing US economy
- b) Analyze economic issues using analytical tools such as aggregate supply and aggregate demand, circular flows and business cycle to evaluate decisions made by US economy
- c) Demonstrate proficiency in using mathematics, statistics, graphs and verbal analysis to analyze current domestic and international economic topics
- d) Critically evaluate and describe the performance of the American economic system
- e) Describe how US economy achieves equilibrium in the short run and long run
- f) Articulate and evaluate the importance of Federal Reserve System, fiscal and monetary policies on domestic and global economy
- g) Discuss the importance of international trade and its impact on the domestic economy using comparative and absolute advantage, tariffs, and exchange rates
- h) Develop competencies in critical thinking skills to take higher level economics courses at four-year institutions
- i) Recognize the role of economics in a well-informed citizen in the community

Major Topics to be Included

1. Foundations of Economic Analysis
 - definition, scope, and methodology of economics
 - introduction to the economizing problem
 - introduction to Adam Smith's revolutionary thinking
 - use and limitations of social science modeling
 - definition and description of the factors of production
 - circular flow analysis
 - production possibility analysis
 - demand and supply analysis
 - analysis of the price mechanism
 - economic units: consumers, business, government
2. National Income and Employment Theory

- national income accounting
- the business cycle: unemployment and inflation
- saving, consumption, and investment
- aggregate supply and demand analysis
- economic growth
- equilibrium income determination
- differing views relating to macroeconomic theory

3. Fiscal Policy

- discretionary fiscal policy
- automatic fiscal stabilizers
- past and present federal budget issues
- national debt and deficit issues

4. Monetary Economics and Stabilization Policies

- money and banking in American capitalism
- the Federal Reserve System
- the economics of monetary policy
- alternative economic stabilization policies

5. International Economics

- the economics of international trade
- exchange rates and balance of payments