



**El Camino College**  
**COURSE OUTLINE OF RECORD – Approved**

**I. GENERAL COURSE INFORMATION**

**Subject and Number:** Economics 101  
**Descriptive Title:** Principles of Economics: Macroeconomics  
**Course Disciplines:** Economics  
**Division:** Behavioral and Social Sciences

**Catalog Description:**

This course introduces students to the principles that explain the operation of the national economy. Topics to be analyzed include consumption of products, exchange, aggregate output, the money supply, national income, price level, economic growth, international trade, international finance, and macroeconomics policies.

Note: Economics or Business majors should consult with a counselor to determine which intermediate algebra course is appropriate for the major.

**Conditions of Enrollment:**

**Prerequisite:** Mathematics 73 or Mathematics 80 with a minimum grade of C in prerequisite or qualification by testing (El Camino College Mathematics Placement Test) and assessment

**Recommended Preparation:** English 1 or eligibility for English 1A or qualification by appropriate assessment

<b>Course Length:</b>	<b>X Full Term</b>	<b>Other (Specify number of weeks):</b>
<b>Hours Lecture:</b>	<b>3.00 hours per week</b>	<b>TBA</b>
<b>Hours Laboratory:</b>	<b>0 hours per week</b>	<b>TBA</b>
<b>Course Units:</b>	<b>3.00</b>	

**Grading Method:** Letter  
**Credit Status:** Associate Degree Credit

**Transfer CSU:** X Effective Date: Prior to July 1992  
**Transfer UC:** X Effective Date: Fall 2009

**General Education:**

**El Camino College:**  
**2C – Social and Behavioral Sciences – General**  
**Term:** Other: Approved

**CSU GE:**

**D2 - Economics**  
**Term: Fall 1989** Other:

**IGETC:**

**4B - Economics**  
**Term: Fall 1991** Other:

## II. OUTCOMES AND OBJECTIVES

### A. COURSE STUDENT LEARNING OUTCOMES (The course student learning outcomes are listed below, along with a representative assessment method for each. Student learning outcomes are not subject to review, revision or approval by the College Curriculum Committee)

#### SLO #1 Tools of Economics Analysis

Using tools of economic analysis, student will be able to explain basic concepts or ideas.

### B. Course Student Learning Objectives (The major learning objective for students enrolled in this course are listed below)

1. Define and describe the principal tools utilized in economic analysis.
2. Describe the central economic problem of scarcity and the economic resources available to produce the goods and services which satisfy society's material wants.
3. Explain the significance of demand and supply and how prices are determined in markets.
4. Analyze the economic roles played by households, businesses, governments, and international trade in the United States economy.
5. Calculate the rate of unemployment and the rate of inflation utilizing numerical data.
6. Calculate Gross Domestic Product utilizing numerical data.
7. Examine the primary determinants of economic growth in an economy.
8. Analyze how various economic changes impact national output, unemployment and inflation using an Aggregate Demand/Aggregate Supply model.
9. Describe and discuss the principal tools of fiscal policy and how the federal government uses these tools to correct unemployment problems and inflation.
10. Evaluate the operations of private banks and the role the private banking system plays in the conduct of Federal Reserve Bank monetary policy.
11. Identify the principal tools of monetary policy available to the Federal Reserve System and assess how they are utilized to correct problems of unemployment and inflation.
12. Calculate the balance of payments utilizing numerical data and discuss how foreign exchange rates are determined.
13. Describe and analyze international trade and the types of restrictions governments impose on international trade.

### III. OUTLINE OF SUBJECT MATTER (Topics are detailed enough to enable a qualified instructor to determine the major areas that should be covered as well as ensure consistency from instructor to instructor and semester to semester.)

Lecture or Lab	Approximate Hours	Topic Number	Major Topic
Lecture	2	I	Introduction A. Main Branches of the Economics Discipline 1. Microeconomics 2. Macroeconomics B. Types of Economic Analysis 1. Positive Economic Analysis 2. Normative Economic Analysis C. The Fundamental Economic Problem: Scarcity
Lecture	3	II	Tools of Economic Analysis A. Choice and Opportunity Cost B. The Rule of Rational Choice

			<ul style="list-style-type: none"> <li>1. Marginal Benefit</li> <li>2. Marginal Cost</li> <li>C. Comparative Advantage and Specialization</li> <li>D. The Economy's Production Possibilities</li> </ul>
Lecture	6	III	<ul style="list-style-type: none"> <li>Demand and Supply Analysis</li> <li>A. Law of Demand</li> <li>B. Shifts of the Demand Curve</li> <li>C. Law of Supply</li> <li>D. Shifts of the Supply Curve</li> <li>E. Market Equilibrium</li> <li>F. Changes in Market Equilibrium</li> <li>G. Market Disequilibrium</li> </ul>
Lecture	2	IV	<ul style="list-style-type: none"> <li>Economic Decision Makers and the Circular Flow in the Macroeconomy</li> <li>A. Households</li> <li>B. Firms</li> <li>C. Governmental Sector</li> <li>D. International Sector</li> </ul>
Lecture	5	V	<ul style="list-style-type: none"> <li>Measuring Economic Aggregates</li> <li>A. Unemployment</li> <li>B. Inflation</li> <li>C. Gross Domestic Product</li> <li>D. Business Cycles</li> </ul>
Lecture	2	VI	<ul style="list-style-type: none"> <li>Economic Growth</li> <li>A. Determinants of Economic Growth</li> <li>B. Labor Productivity</li> <li>C. Output Per Capita</li> <li>D. International Comparisons</li> </ul>
Lecture	4	VII	<ul style="list-style-type: none"> <li>Aggregate Expenditure Model</li> <li>A. Consumption Function</li> <li>B. Investment Function</li> <li>C. Government Expenditure Function</li> <li>D. Net Exports Function</li> <li>E. Aggregate Expenditures Equilibrium</li> </ul>
Lecture	5	VIII	<ul style="list-style-type: none"> <li>Aggregate Demand/Aggregate Supply Model</li> <li>A. Expenditure and Aggregate Income</li> <li>B. Aggregate Demand</li> <li>C. Aggregate Supply</li> <li>D. Macroeconomic Equilibrium</li> </ul>
Lecture	5	IX	<ul style="list-style-type: none"> <li>Fiscal Policy</li> <li>A. Tools of Fiscal Policy</li> <li>B. Spending Multiplier</li> <li>C. Tax Multiplier</li> <li>D. Problems with Fiscal Policy <ul style="list-style-type: none"> <li>1. Types of Lags</li> <li>2. Crowding Out Effect</li> </ul> </li> </ul>
Lecture	6	X	<ul style="list-style-type: none"> <li>Money and the Financial System</li> <li>A. Evolution of Money</li> </ul>

			B. Financial Institutions in the United States C. Banking and the Money Supply D. Banks as Financial Intermediaries E. Process Used by Banks to Create Money F. Federal Reserve Bank and Control of the Money Supply
Lecture	3	XI	Monetary Theory and Policy A. Demand and Supply of Money B. Money and Aggregate Demand C. Targets for Monetary Policy
Lecture	3	XII	The Policy Debate A. Active Policy Versus Passive Policy B. Role of Expectations C. Policy Rules Versus Discretion D. The Phillips Curve
Lecture	4	XIII	Global Economics A. International Trade B. Comparative Advantage C. Free Trade D. Restricted Trade
Lecture	4	XIV	International Finance A. Balance of Payments B. Foreign Exchange Markets and Rates
Total Lecture Hours		54	
Total Laboratory Hours		0	
Total Hours		54	

#### IV. PRIMARY METHOD OF EVALUATION AND SAMPLE ASSIGNMENTS

##### A. PRIMARY METHOD OF EVALUATION:

Substantial writing assignments

##### B. TYPICAL ASSIGNMENT USING PRIMARY METHOD OF EVALUATION:

Read the chapter in your textbook on unemployment and inflation. In a two- to three-page essay, describe the three ways in which the official unemployment rate understates the true rate of unemployment and the four ways in which the Consumer Price Index overstates the true rate of inflation in the United States.

##### C. COLLEGE-LEVEL CRITICAL THINKING ASSIGNMENTS:

1. Contrast the argument for discretionary monetary and fiscal policy with the argument for policy rules in a three- to five-page essay. In your essay assess the validity of each point in the two arguments. Also, state which argument you agree with and why.
2. Use this data to answer the following questions about the market for British pounds (£):  
Price of £ in \$  
\$4.00  
\$3.00  
\$2.00

Quantity Demanded (of £s)

50

75

100

Quantity Supplied (of £s)

100

75

50

1. Create a graph concerning the market for British pounds on which you:
  - a. Draw the demand and supply curves for pounds, and determine the equilibrium exchange rate (dollars per pound).
  - b. Suppose that the supply of pounds doubles. Draw the new supply curve.
  
2. Analyze the curves you have drawn and answer the following:
  - a. What is the new equilibrium exchange rate?
  - b. Has the dollar appreciated or depreciated?
  - c. What happens to U.S. imports of British goods?

**D. OTHER TYPICAL ASSESSMENT AND EVALUATION METHODS:**

Essay exams  
Performance exams  
Other exams  
Quizzes  
Written homework  
Homework Problems  
Multiple Choice  
Completion  
True/False

**V. INSTRUCTIONAL METHODS**

Discussion  
Group Activities  
Lecture  
Multimedia presentations

**Note: In compliance with Board Policies 1600 and 3410, Title 5 California Code of Regulations, the Rehabilitation Act of 1973, and Sections 504 and 508 of the Americans with Disabilities Act, instruction delivery shall provide access, full inclusion, and effective communication for students with disabilities.**

**VI. WORK OUTSIDE OF CLASS**

Study  
Required reading  
Problem solving activities  
Written work

**Estimated Independent Study Hours per Week: 6**

## VII. TEXTS AND MATERIALS

### A. UP-TO-REPRESENTATIVE TEXTBOOKS

R. Glenn Hubbard, Anthony Patrick O'Brien. Macroeconomics. 7<sup>th</sup> ed. Pearson, 2019.

### B. ALTERNATIVE TEXTBOOKS

### C. REQUIRED SUPPLEMENTARY READINGS

### D. OTHER REQUIRED MATERIALS

## VIII. CONDITIONS OF ENROLLMENT

### A. Requisites (Course and Non-Course Prerequisites and Corequisites)

Requisites	Category and Justification
Course Prerequisite Mathematics-73 or	Computational/Communication Skills
Course Prerequisite Mathematics-80 or	Computational/Communication Skills
Non-Course Prerequisite	A student who does not have mathematic skill/knowledge will not succeed in this class. Economics is math based and the language used in this course is Mathematical. Also, statistics are used in Economics.

### B. Requisite Skills

Requisite Skills
Students must model application problems using numerical, symbolic and graphical methods and interpret results; each type of function will have related applied problems. MATH 73 - Recognize functional relationships in the form of graphs, data or symbolic equations. MATH 73 - Graph a variety of functions and relations and draw connections between these graphs and solutions to problems.
Students must model application problems using numerical, symbolic and graphical methods and interpret results; each type of function will have related applied problems. MATH 80 - Recognize functional relationships in the form of graphs, data or symbolic equations. MATH 80 - Graph a variety of functions and relations and draw connections between these graphs and solutions to problems. MATH 80 - Using numerical, symbolic and graphical methods, model application problems, solve them and interpret the results in the context of the problem.

**C. Recommended Preparations (Course and Non-Course)**

Recommended Skills	
English 1	Category: Course Justification: This course involves reading college level textbooks, answering essay questions, creating graphs, and written homework/homework problems. A student's success in this class will be enhanced if they have these skills.
Eligibility for English 1A or qualification by appropriate assessment	Category: Non-Course Justification: This course involves reading college level textbooks, answering essay questions, creating graphs, and written homework/homework problems. A student's success in this class will be enhanced if they have these skills.

**D. Recommended Skills**

Recommended Skills
Students need well-developed reading skills in order to understand and interpret information in their textbooks and writing skills to answer essay questions.
ENGL 1 – Summarize, analyze, evaluate, and synthesize college-level texts.
ENGL 1 – Write a well-reasoned, well-supported expository essay that demonstrates application of the academic writing process.

**E. Enrollment Limitations**

Enrollment Limitations and Category	Enrollment Limitations Impact

Course created by Bruce Beatty on 12/13/1976.

BOARD APPROVAL DATE:

LAST BOARD APPROVAL DATE: 05/18/2020

Last Reviewed and/or Revised by Minehiro Inouye and Tanja Carter on 03/25/2020

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