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

| | |
|---|---|
| **Course Acronym:** | ECON |
| **Course Number:** | C2002 |
| **Descriptive Title:** | Principles of Macroeconomics |
| **Division:** | Behavioral and Social Sciences |
| **Department:** | Economics |
| **Course Disciplines:** | Economics |
| **Catalog Description:** | An introductory course using models of the domestic and international economy to understand national income, unemployment, inflation, economic growth, inequality, the financial system, and monetary, fiscal, and other economic policies. |
| **Prerequisite:** | Placement as determined by the college's multiple measures assessment process or completion of a course taught at or above the level of elementary algebra. |
| **Co-requisite:** | None |
| **Recommended Preparation:** | Eligibility for English C1000 or equivalent |
| **Enrollment Limitation:** | |
| **Hours Lecture (per week):** | 3 |
| **Hours Laboratory (per week):** | 0 |
| **Outside Study Hours:** | 6 |
| **Total Course Hours:** | 54 |
| **Course Units:** | 3 |
| **Grading Method:** | Letter Grade only |
| **Credit Status:** | Credit, degree applicable |
| **Transfer CSU:** | Yes |
| **Effective Date:** | Prior to July 1992 |
| **Transfer UC:** | Yes |
| **Effective Date:** | Prior to July 1992 |
| **General Education: ECC** | Area 2C - Social and Behavioral Science |
| **Term:** | |
| **Other:** | |
| **CSU GE:** | Area D - Social Sciences |
| **Term:** | |
| **Other:** | |

| | |
|---|---|
| **IGETC:** | Area 4 - Social and Behavioral Sciences |
| **Term:** | |
| **Other:** | |
| **CalGETC:** | |
| **Term:** | |
| **Other:** | |
| **Student Learning Outcomes:** | **SLO #1 Tools of Economics Analysis**<br><br>Using tools of economic analysis, student will be able to explain basic concepts or ideas. |
| **Course Objectives:** | At the conclusion of this course, the student should be able to:<br><br>1. Interpret and analyze domestic and international macroeconomic data.<br>2. Apply macroeconomic models to explain economic issues and outcomes.<br>3. Analyze the effects of macroeconomic policies. |
| **Major Topics:** | 1. Fundamentals of economic thinking<br><br>a. Scarcity / opportunity costs<br>b. Factors of production<br>c. Production possibilities<br>d. Specialization and gains from trade<br>e. Economic models and research methodology<br><br>2. How markets operate<br><br>a. Definition of a market<br>b. Supply and demand model<br><br>3. Measuring the economy<br><br>a. National output and productivity<br>b. Economic growth<br>c. Price level (inflation)<br>d. Business cycle<br>e. Unemployment<br>f. Inequality and Poverty<br><br>4. Aggregate Demand / Aggregate Supply model<br><br>5. Financial system<br><br>a. Saving, investment, and interest rates<br>b. Money creation and banking<br>c. Role and function of central banks<br>d. Monetary policy<br><br>6. The role of the government in the macro economy |

a. Government budget
b. Fiscal policy
c. Social policy

7. International economics

a. Balance of payments
b. Exchange rates
c. International trade

Part 2:

**I. Introduction (2 hours, lecture)**

1. Main Branches of the Economics Discipline
    1. Microeconomics
    2. Macroeconomics
2. Types of Economic Analysis
    1. Positive Economic Analysis
    2. Normative Economic Analysis
3. The Fundamental Economic Problem: Scarcity

**II. Tools of Economic Analysis (3 hours, lecture)**

1. Choice and Opportunity Cost
2. The Rule of Rational Choice
    1. Marginal Benefit
    2. Marginal Cost
3. Comparative Advantage and Specialization
4. The Economy's Production Possibilities

**III. Demand and Supply Analysis (6 hours, lecture)**

1. Law of Demand
2. Shifts of the Demand Curve
3. Law of Supply
4. Shifts of the Supply Curve
5. Market Equilibrium
6. Changes in Market Equilibrium
7. Market Disequilibrium

**IV. Economic Decision Makers and the Circular Flow in the Macroeconomy (2 hours, lecture)**

1. Households
2. Firms

3. Governmental Sector
4. International Sector

**V. Measuring Economic Aggregates (5 hours, lecture)**

1. Unemployment
2. Inflation
3. Gross Domestic Product
4. Business Cycles

**VI. Economic Growth (2 hours, lecture)**

1. Determinants of Economic Growth
2. Labor Productivity
3. Output Per Capita
4. International Comparisons

**VII. Aggregate Expenditure Model (4 hours, lecture)**

1. Consumption Function
2. Investment Function
3. Government Expenditure Function
4. Net Exports Function
5. Aggregate Expenditures Equilibrium

**VIII. Aggregate Demand/Aggregate Supply Model (5 hours, lecture)**

1. Expenditure and Aggregate Income
2. Aggregate Demand
3. Aggregate Supply
4. Macroeconomic Equilibrium

**IX. Fiscal Policy (5 hours, lecture)**

1. Tools of Fiscal Policy
2. Spending Multiplier
3. Tax Multiplier
4. Problems with Fiscal Policy

    1. Types of Lags

    2. Crowding Out Effect

**X. Money and the Financial System (6 hours, lecture)**

1. Evolution of Money
2. Financial Institutions in the United States
3. Banking and the Money Supply
4. Banks as Financial Intermediaries
5. Process Used by Banks to Create Money
6. Federal Reserve Bank and Control of the Money Supply

| | |
|---|---|
| | **XI. Monetary Theory and Policy (3 hours, lecture)**<br><br>1. Demand and Supply of Money<br>2. Money and Aggregate Demand<br>3. Targets for Monetary Policy<br><br>**XII. The Policy Debate (3 hours, lecture)**<br><br>1. Active Policy Versus Passive Policy<br>2. Role of Expectations<br>3. Policy Rules Versus Discretion<br>4. The Phillips Curve<br><br>**XIII. Global Economics (4 hours, lecture)**<br><br>1. International Trade<br>2. Comparative Advantage<br>3. Free Trade<br>4. Restricted Trade<br><br>**XIV. International Finance (4 hours, lecture)**<br><br>1. Balance of Payments<br>2. Foreign Exchange Markets and Rates |
| **Total Lecture Hours:** | 54 |
| **Total Laboratory Hours:** | 0 |
| **Total Hours:** | 54 |
| **A.1. Primary Methods of Evaluation (Part 1 - CCN courses only):** | Assessments for this course will include both formative and summative assignments that may include some or all of the following: Exams and Quizzes containing one or more: • Multiple Choice questions • Short answers • Problem Solving • True/False • Essays Other Assessments: • Problem sets • Online or in-class discussions • Presentations • Group projects • Experiments • Current event analysis • Term papers Assessed written work may include any of the following (colleges are encouraged to work with local CSU and UC departments to determine writing requirements): • Current event analysis • Discussion boards • Essay questions on exams • Term papers Methods of evaluation are at the discretion of local faculty. |
| **A.2. Primary Method of Evaluation (Part 2 - all courses; choose one):** | 2) Problem solving demonstrations (computational or non-computational) |
| **Typical Assignment Using Primary Method of Evaluation:** | Describe three ways in which the official unemployment rate understates the true rate of unemployment.<br><br>Also, discuss the costs of high inflation in an economy. Indicate how borrowers, lenders, and retirees on fixed income are likely to be impacted. |
| **Critical Thinking Assignment 1:** | Using Aggregate Demand/Aggregate Supply analysis, illustrate using a graph an economy that is currently experiencing a recession with high unemployment but little to no |

| | |
|---|---|
| | inflation. Next, show in your diagram the likely impact of using fiscal and/or monetary policy tools to stimulate the economy in the short run.<br><br>Using Aggregate Demand/Aggregate Supply analysis, illustrate using a graph an economy that is currently experiencing stagflation. Next, show in your diagram, the likely impact of fiscal and/or monetary policy tools to stimulate the economy in the short run.<br><br>Discuss potential benefits, as well as unintended and long term consequences, that may result from stimulative government intervention in each of these scenarios. |
| **Critical Thinking Assignment 2:** | Use this data to answer the following questions about the market for British pounds (£):<br><br>Price of £ in $<br><br>$4.00<br><br>$3.00<br><br>$2.00<br><br>Quantity Demanded (of £s)<br><br>50<br><br>75<br><br>100<br><br>Quantity Supplied (of £s)<br><br>100<br><br>75<br><br>50<br><br>1. Create a graph concerning the market for British pounds on which you:<br><br>a. Draw the demand and supply curves for pounds, and determine the equilibrium exchange rate (dollars per pound).<br><br>b. Suppose that the supply of pounds doubles. Draw the new supply curve.<br><br>2. Analyze the curves you have drawn and answer the following:<br><br>a. What is the new equilibrium exchange rate?<br><br>b. Has the dollar appreciated or depreciated? |

| | |
|---|---|
| | c. What happens to U.S. imports of British goods? |
| **Other Evaluation Methods:** | |
| **Instructional Methods:** | Discussion, Group Activities, Lecture, Multimedia presentations |
| **If other:** | |
| **Work Outside of Class:** | Problem solving activities<br>Required reading<br>Study<br>Written work (such as essays/compositions/reports/analysis/research) |
| **If Other:** | |
| **Up-To-Date Representative Texts:** | These are representative texts. Texts used by individual institutions and even individual sections will vary.<br><br>These are two-semester textbooks covering both Macroeconomics and Microeconomics. The one semester edition covering only Microeconomics is acceptable as is any other equivalent textbook, including an OER textbook.<br><br>• Arnold, R., Arnold, D., & Arnold, D. (2023) Economics. Mason, OH: Cengage Learning.<br>• Colander, D. (2019) Economics. New York: McGraw-Hill Irwin.<br>• Coppock, L. & Mateer. (2023) Principles of Economics, Norton.<br>• The CORE Econ Team. The Economy 2.0, CORE Econ.<br>• Cowen, T., & Tabarrok, A. (2021) Modern Principles of Economics. New York: Worth.<br>• Frank, R. H., & Bernanke, B. S. (2024) Principles of Economics. New York: McGraw-Hill Irwin.<br>• Greenlaw, S., Shapiro, D., & MacDonald, D. Principles of Economics 3e. Houston, TX: OpenStax.<br>• Hubbard, R. G., & O'Brien, A. P. (2024) Economics. Boston: Pearson.<br>• Krugman, P. & Wells, R. (2024) Economics. New York: Worth.<br>• Mankiw, N. G. (2024) Principles of economics. Mason, OH: Cengage Learning.<br>• McConnell, C. R., Brue, S. L., & Flynn, S. M. Economics: Principles, problems and policies. New York: McGraw-Hill Irwin.<br>• Parkin, M., (2023) Economics, New York: Pearson<br>• Rittenberg, L., & Tregarthen, T. (2021) Principles of economics. Flat World Knowledge.<br>• Schneider, G., (2023) Macroeconomic Principles and Problems: A Pluralist Introduction. New York: Routledge.<br>• Stevenson, B. & Wolfers, J. (2023) Principles of Economics, New York: Worth.<br>• Tucker, I. B. (2023) Economics for today. Mason, OH: Cengage Learning. |
| **Alternative Texts:** | |
| **Required Supplementary Readings:** | |
| **Other Required Materials:** | |
| **Requisite:** | Prerequisite |
| **Category:** | communication or computation skill |
| **Requisite course(s): List both prerequisites** | |

| | |
|---|---|
| **and corequisites in this box.** | |
| **Requisite and Matching skill(s):Bold the requisite skill. List the corresponding course objective under each skill(s).** | |
| **Requisite Skill:** | Placement as determined by the college’s multiple measures assessment process or completion of a course taught at or above the level of elementary algebra. |
| **Requisite Skill and Matching Skill(s): Bold the requisite skill(s). If applicable** | **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. Students must model application problems using numerical, symbolic and graphical methods and interpret results; each type of function will have related applied problems.**<br><br>Recognize functional relationships in the form of graphs, data or symbolic equations.<br><br>Graph a variety of functions and relations and draw connections between these graphs and solutions to problems.<br><br>**Students must model application problems using numerical, symbolic and graphical methods and interpret results; each type of function will have related applied problems.**<br><br>Recognize functional relationships in the form of graphs, data or symbolic equations.<br><br>Graph a variety of functions and relations and draw connections between these graphs and solutions to problems.<br><br>Using numerical, symbolic and graphical methods, model application problems, solve them and interpret the results in the contact of the problem. |
| **Requisite course:** | |
| **Requisite and Matching skill(s):Bold the requisite skill. List the corresponding course objective under each skill(s).** | |
| **Requisite Skill:** | Eligibility for English C1000 |
| **Requisite Skill and Matching skill(s): Bold the requisite skill. List the corresponding course objective under each skill(s). If applicable** | **This course involves reading college level textbooks, developing projects, and answering essay questions. A student’s success in this class will be enhanced if they have these skills.**<br><br>Summarize, analyze, evaluate, and synthesize college-level texts.<br><br>Write a well-reasoned, well-supported expository essay that demonstrates application of the academic writing process. |
| **Enrollment Limitations and Category:** | |

| | |
|---|---|
| **Enrollment Limitations Impact:** | |
| **Course Created by:** | Bruce Beatty |
| **Date:** | 12/13/1976 |
| **Original Board Approval Date:** | |
| **Last Reviewed and/or Revised by:** | Tanja Carter |
| **Date:** | 04/30/2025 |
| **Last Board Approval Date:** | 12/16/2025 |
| **Effective Term:** | FA 2026 |