PRINCIPLES OF ECONOMICS
ECN 2010

Class Hours: 4.0        Credit Hours: 4.0
Laboratory Hours: 0.0   Date Revised: Spring 02

Catalog Course Description:
A presentation of basic economic concepts, including supply and demand, competition, money and banking, employment, inflation, and market models. Specific issues of resource allocation, current economic problems of the U.S., international economics and the world economy are studied.

Entry Level Standards:
Students must be able to read and write at the college level.

Corequisite:
College-level math

Textbook(s) and Other Reference Materials Basic to the Course:
Graph paper for tests and homework assignments. Programmable calculators may not be used on the tests in this course.

I. Week/Unit/Topic Basis:

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
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<tbody>
<tr>
<td>1</td>
<td>Introduction: What is Economics? Key Principles of Economics</td>
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<tr>
<td>2</td>
<td>Supply, Demand, and Market Equilibrium; Elasticity: A Measure of Responsiveness</td>
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<td>3</td>
<td>Production and Cost</td>
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<td>4</td>
<td>Perfect Competition: Short Run and Long Run</td>
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<td>5</td>
<td>Monopoly</td>
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<td>6</td>
<td>Entry and Monopolistic Competition; Oligopoly and Strategic Behavior</td>
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<td>7</td>
<td>Controlling Market Power: Antitrust Policy and Deregulation</td>
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<tr>
<td>8</td>
<td>Measuring a Nation's Production and Income</td>
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<tr>
<td>9</td>
<td>Unemployment and Inflation</td>
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</table>
II. Course Objectives*:

A. Demonstrate a complete and thorough understanding of American capitalism, economics of the firm and resource allocation. I.5, IV.3

B. Exhibit an adequate understanding of national income, employment, and fiscal policy. I.5

C. Demonstrate knowledge of money, monetary policy and economic stability. I.5, IV.3

D. Explain the basic concepts involved in international economics and the world economy. I.5

E. Acquire the basic rudiments of an economics vocabulary. I.5

*Roman numerals after course objectives reference goals of the university parallel program.

III. Instructional Processes*:

Students will:

1. Practice elements of work ethic such as professionalism, preparedness, punctuality, honesty, cooperation, dependability, contribution, effectiveness, and good manners. Personal Development Outcome, Transitional Strategy

2. Perform course assignments such as class discussions, experiential exercises, written presentations, Internet research, etc. that help develop critical thinking and problem solving skills. Communication Outcome, Problem Solving & Decision Making Outcome, Information Literacy Outcome, Transitional Strategy, Active Learning Strategy

3. Use email to communicate problems, questions, and issues to instructor. Communication Outcome, Technological Literacy Outcome, Information Literacy Outcome

4. Complete a minimum of three written analyses of articles relating to current economic events. Communication Outcome, Problem Solving & Decision Making Outcome, Cultural Diversity & Social Development Outcome, Informational Literacy Outcome

*Strategies and outcomes listed after instructional processes reference Pellissippi State’s goals for strengthening general education knowledge and skills, connecting coursework to experiences beyond the classroom, and encouraging students to take active and responsible roles in the educational process.

IV. Expectations for Student Performance*:

Upon successful completion of this course, the student should be able to:
1. Explain how economics is related to scarcity. A,E
2. Identify and explain the 3 basic economic questions. A,E
3. Identify the 5 factors of production and provide examples. A,E
4. Discuss in detail the production possibilities concept including opportunity cost, law of increasing opportunity cost, and the shifting of the production possibilities frontier. A,E
5. Construct a production possibilities curve. A,E
6. Identify and explain the 5 key principles of economics. A,E
7. Define demand and supply, graph demand and supply, and state the law of demand and the law of supply. A,E
8. List the factors that shift demand and supply and determine equilibrium price and quantity. A,E
9. Define and calculate the price elasticity of demand as well as explain the determinants of demand elasticity. A,E
10. Define economic profit, accounting profit, fixed costs, and variable costs. A,E
12. Compute and graph AFC, AVC, ATC, and MC when given total cost data. A,E
13. List the causes of economies and diseconomies of scale. A,E
14. List the characteristics of perfect competition. A,E
15. Use the marginal revenue-marginal cost approach to determine output produced in the short run. A,E
16. Define monopoly and explain the conditions under which it arises. A,E
17. Define natural monopoly and the conditions under which it occurs. A,E
18. Define monopolistic competition and explain how price and output are determined. A,E
19. Define oligopoly and explain why the price might be sticky in an oligopoly industry. A,E
20. Explain the major antitrust acts and their applications. A,E
21. Define the term GDP and compute GDP using the expenditure approach when given national income accounting data. B,E
22. Distinguish between nominal GDP and real GDP. B, E
23. Define recession, depression, peak and trough. B,E
24. Define full employment and the process used to measure the unemployment rate. B,E
25. Describe frictional, structural, and cyclical unemployment. B,E
Define inflation and describe how the CPI is used to measure inflation rates. B,E

Explain the major issues surrounding poverty in the U.S. economy. B,E

Explain the problems associated with the aging of our society. B, E

Define recession, depression, peak, and trough. B, E

Define aggregate demand and aggregate supply. B,E

Distinguish between the classical aggregate supply curve and the Keynesian aggregate supply curve. B,E

Identify the factors that shift the aggregate demand curve. B,E

Calculate the spending and tax multipliers and use these to determine the effects of changes in fiscal policy. B,E

Explain how equilibrium output is determined using the simple Keynesian cross. B,E

List the properties of money and explain the meaning of each. C,E

Compute a bank’s required and excess reserves. C,E

Calculate the money multiplier. C,E

Identify the quantitative controls and explain how each may be employed by the Federal Reserve to expand or to contract the money supply. C,E

Describe the structure of the U.S. banking system. C,E

Describe the demand-side transmission mechanism of monetary policy. C,E

Explain the effects of budget deficits on the economy. B,E

Define comparative advantage and calculate the gains from trade in a 2-country, 2-good model. D,E

Explain the effects of quotas, VERs, and tariffs. D,E

Enumerate the rationales for protectionist policies and discuss their merits. D,E

*Letters after performance expectations reference the course objectives listed above.

V. Evaluation:

A. Testing Procedures:

Students are evaluated primarily on the basis of tests. A minimum of three major tests is recommended.

B. Laboratory Expectations:

N/A

C. Field Work:
Students are required to complete a minimum of three written analyses of articles relating to current economic events. Each instructor will provide full details during the first week of class via a syllabus supplement.

D. Other Evaluation Methods:

Class participation and homework will also comprise the final grade for the course. Each instructor will provide full details during the first week of class via a syllabus supplement.

E. Grading Scale:

- 92 - 100      A
- 89 - 91       B+
- 82 - 88       B
- 79 - 81       C+
- 72 - 78       C
- 65 - 71       D
- Below 65      F

VI. Policies:

Attendance Policy:

Pellissippi State Technical Community College expects students to attend all scheduled instructional activities. As a minimum, students in all courses must be present for at least 75 percent of their scheduled class and laboratory meetings in order to receive credit for the course.