INSURANCE ECONOMICS
INP 1900

Class Hours: 3.0  Credit Hours: 3.0
Laboratory Hours: 0.0  Date Revised: Spring 00

NOTE: This course is not designed for transfer credit.

Catalog Course Description:
Designed to present the fundamental principles of economics and apply them to situations in the insurance industry. Covers the macro and micro level.

Entry Level Standards:
None

Prerequisites:
None

Textbook(s) and Other Reference Materials Basic to the Course:

Choices and Constraints: Economic Decision-making, Chen and deVos, American Institute of Property and Liability Underwriters.
Macroeconomics and the Financial System, Applebaum, American Institute of Property and Liability Underwriters.

I. Week/Unit/Topic Basis:

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction and Economic Decision-making</td>
</tr>
<tr>
<td>2</td>
<td>Buying and Selling Decisions; Output and Pricing Decisions</td>
</tr>
<tr>
<td>3</td>
<td>Market Success and Market Failure</td>
</tr>
<tr>
<td>4</td>
<td>Economic Regulation</td>
</tr>
<tr>
<td>5</td>
<td>Measurement of Macroeconomic Variables</td>
</tr>
<tr>
<td>6</td>
<td>Aggregate Demand and Aggregate Supply: Income, Expenditure, Production, and Prices</td>
</tr>
<tr>
<td>7</td>
<td>Investment and the Dynamics of Income Determination</td>
</tr>
<tr>
<td>8</td>
<td>Government and the Dynamics of Income Determination; Review</td>
</tr>
<tr>
<td>9</td>
<td>Midterm</td>
</tr>
</tbody>
</table>
II. Course Objectives*:

A. Describe the economics approach as a method of analysis and explain its limitations. I,II
B. Explain how economic growth is measured. I,II
C. Explain how government spending and taxation policies can be used as balancing mechanisms for the economy. I,II
D. Explain the links between the money market and the commodity market. I,II

*Roman numerals after course objectives reference goals of the Business and Community Services department.

III. Instructional Processes*:

Students will:

1. Take part in course assignments such as team discussions; team case studies; team projects; experiential exercises; oral, written, PowerPoint, and/or email presentations; Internet research; etc. to help develop teamwork, leadership, and followership skills. Communication Outcome, Personal Development Outcome, Cultural Diversity & Social Adaptation Outcome, Information Literacy Outcome, Transitional Strategy, Active Learning Strategy

2. Use critical thinking skills to interpret and evaluate the financial statements of existing companies and make informed judgements about these statements to facilitate in decision making and problem solving strategies. Problem Solving and Decision Making Outcome, Numerical Literacy Outcome, Information Literacy Outcome, Active Learning Strategies

3. Exhibit professional behavior by attending class regularly, arriving punctually with the appropriate materials, and being prepared for active class participation each day. Personal Development Outcome, Transitional Strategy

4. Use email to communicate problems, questions, and issues to the instructor. Communication Outcome, Informational Literacy Outcome, Technological 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. Describe the two fundamental sources of economic constraints. A
2. Describe the essential characteristics of a market economy. B
3. Diagram the marginal cost and marginal revenue curves for a small competitive firm. B
4. Explain how competitive markets achieve efficient results. A
5. Describe the various reasons for regulation of the economy. C
6. Explain why GNP is an imperfect measure of social contentment of happiness. C
7. State the relationship between personal income and disposable personal income. C
8. Explain how leakages other than savings affect the size of the multiplier. B
9. Determine whether a federal budget deficit is actually expansionary. D
10. Cite the arguments for and against wage and price controls. C
11. Explain the three functions of money. D
12. Explain why a larger supply of money is needed in order to expand output. D
13. Describe the major regulatory structures affecting financial institutions in the United States. D
14. Analyze the components of the supply of and demand for loadable funds. D
15. Explain the source of gains from trade in situation of absolute and comparative advantage. D

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

V. Evaluation:

A. Testing Procedures:

   Midterm  30%
   Unannounced Quizzes 30%
   Final Exam  30%

B. Laboratory Expectations:

   N/A

C. Field Work:

   N/A

D. Other Evaluation Methods:

   Attendance  10%

E. Grading Scale:
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.

B. Academic Dishonesty:

C. Other Policies: