Credit Hours: 3

Catalog Course Description: A study of basic macroeconomic concepts, including gross domestic product, economic growth, unemployment and inflation. Also includes a thorough examination of both fiscal and monetary policy.

How Program Site will be incorporated into the course: While studying economics we will compare the Japanese and U.S. economies. Japan is a major market for many U.S. products, including agricultural products, chemicals, pharmaceuticals, films and music, commercial aircraft, nonferrous metals, plastics, medical and scientific supplies, and machinery. U.S. imports from Japan include vehicles, machinery, optic and medical instruments, and organic chemicals. U.S. direct investment in Japan is mostly in the finance/insurance, manufacturing, nonbank holding companies, and wholesale sectors. Japanese direct investment in the U.S. is mostly in the wholesale trade and manufacturing sectors. There may be multiple excursions to a number of major destinations and cultural attractions in Tokyo: Tokyo TV Tower, Tsukiji Fish Market, Meiji Shrine, Yoyogi Park, Shibuya Crossing, Daimaru department store, karaoke, tea ceremony and traditional Japanese bath. In addition, we may venture outside of Tokyo and visit Fuji Mountain, Kyoto, Nagoya, and Hiroshima.

Prerequisites: College-level mathematics

Textbook(s) and Other Course Materials: LaunchPad for Krugman’s Macroeconomics (6 month access) Paul Krugman; Robin Wells ©2013 | Third Edition
ISBN-10: 1464186987
LaunchPad, combines an interactive e-book with high-quality multimedia content and ready-made assessment options, including LearningCurve adaptive quizzing. A streamlined interface helps students focus on what’s due next, social commenting tools let them engage, make connections, and learn from each other.

I. Week/Unit/Topic Basis:

<table>
<thead>
<tr>
<th>WEEK / UNIT #</th>
<th>TOPIC</th>
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| 1             | Chapter 1  Limits, Alternatives, and Choices (pp. 3-28)  
Chapter 2  The Market System and the Circular Flow (pp. 29-44)  
Chapter 3  Demand, Supply, and Market Equilibrium (pp. 45-71)  
Chapter 24  Measuring Domestic Output and National Income (pp. 479-497)  
Chapter 25  Economic Growth |
| 2             | Chapter 26  Business Cycles, Unemployment, and Inflation (pp. 520-539)  
Chapter 27  Basic Macroeconomic Relationships (pp. 541-560)  
Chapter 28  The Aggregate Expenditures Model (pp. 561-582)  
Chapter 29  Aggregate Demand and Aggregate Supply (pp. 583-603) |
| 3             | Chapter 30  Fiscal Policy, Deficits, and Debt (pp. 607-627)  
Chapter 31  Money and Banking (pp. 629-644)  
Chapter 32  Money Creation (pp. 645-659)  
Chapter 33  Interest Rates and Monetary Policy (pp. 660-686) |
II. Course Goals:
The course will:

A. Demonstrate a complete and thorough understanding of America capitalism, economics of the firm and resource allocation.

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

C. Demonstrate knowledge of money, monetary policy and economic stability.

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

E. Acquire the basic rudiments of an economics vocabulary.

III. Expected Student Learning Outcomes*

Upon successful completion of this course, the student should be able to:

A. Explain how economics is related to scarcity. (Ch.1) A, E

B. Explain the difference between positive and normative economics. (Ch.1) A, E

C. Identify the four factors of production and provide examples. (Ch.1) A, E

D. Discuss, in detail, the production possibilities concept including opportunity cost, law of increasing opportunity cost, and the shifting of the production possibilities curve.

E. Construct a production possibilities curve. (Ch.1) A, E

F. Explain the characteristics of the market system. (Ch.2) A, E

G. Identify and explain the Five Fundamental Questions. (Ch.2) A, E

H. Define and graph demand and supply; state the laws of demand and supply. (Ch.3) A, E

I. List the factors that shift demand and supply; determine equilibrium price and quantity. (Ch.3) A, E

J. Define and calculate the price elasticity of demand; explain the determinants of demand elasticity. (Ch.6) A, E

K. Be able to determine specialization and comparative advantage in a 2-country, 2-good model. (Ch.5) D, E

L. Be able to determine appreciation/depreciation in a 2-currency model of the exchange market. (Ch.5) D, E

M. Be able to describe and discuss the importance of the WTO, GATT, and NAFTA. (Ch.5) D, E

N. Define GDP and compute GDP using the expenditure approach, given national income data. (Ch.24) B, E

O. Distinguish between nominal GDP and real GDP. (Ch.24) B, E

P. Define recession, depression, peak, trough, and recovery/expansion. (Ch.26) B, E

Q. Define full employment and the process used to measure the unemployment rate. (Ch.26) B, E

R. Define discouraged workers and underemployment. (Ch.26) B, E

S. Describe frictional, structural, and cyclical unemployment. (Ch.26) B, E

T. Define inflation and describe how the CPI is used to measure inflation rates. (Ch.26) B, E

U. Define demand-pull and cost-push inflation. (Ch.26) B, E
V. Define APC, APS, MPC, and MPS. (Ch. 27) B, E

W. Calculate the spending multiplier given the MPC and/or the MPS. (Ch. 27) B, E

X. Identify the determinants of investment. (Chs. 27, 29) B, E

Y. Explain how equilibrium-output is determined using the Aggregate Expenditure model. (Ch. 28) B, E

Z. Define recessionary and inflationary gaps. (Ch. 28) B, E

AA. Define aggregate demand and aggregate supply. (Ch. 29) B, E

BB. Identify the factors that shift both the aggregate demand and aggregate supply curves. (Ch. 29) B, E

CC. Use the spending and tax multipliers to determine the effects of changes in fiscal policy. (Ch. 29) B, E

DD. Explain how/when both expansionary and contractionary fiscal policies are used. (Ch. 30) B, E

EE. Explain the effects of budget deficits on the economy. (Ch. 30) B, E

FF. Identify and define the three functions of money. (Ch. 31) C, E

GG. Explain what backs the money supply in the U.S. (Ch. 31) C, E

HH. Describe the structure of the U.S. banking system. (Ch. 31) C, E

II. Compute a bank’s required and excess reserves. (Ch. 32) C, E

JJ. Calculate the money multiplier. (Ch. 32) C, E

KK. Diagram the money market and determine the equilibrium interest rate. (Ch. 33) C, E

LL. Identify the three tools of monetary policy and explain how each may be employed the Federal Reserve to expand or contract the money supply. (Ch. 33) C, E

MM. Describe the demand-side transmission mechanism of monetary policy. (Ch. 33) C

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

IV. Evaluation:

A. Testing Procedures: (66%): Students are evaluated primarily on the basis of tests. A minimum of three major tests will be utilized.

B. Other Evaluation Methods: (34%): Class participation and homework will also comprise the final grade for the course.

C. Grading Scale: Please note that some TnCIS member institutions do not accept + and - grades, therefore all TnCIS grading scales must consist of only A, B, C, D, F letter grades.

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\begin{align*}
A &= 90 - 100 \\
B &= 80 - 89 \\
C &= 70 - 79 \\
D &= 60 - 69 \\
F &= \text{Below 60}
\end{align*}
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V. Policies:

A. Attendance Policy:

Attendance is of utmost importance in study abroad courses. There are no unexcused absences permitted. Unexcused absences are grounds for removal from the program.
Being in class on time is also very important. Frequent tardiness will be considered an absence and appropriate action will be taken. Absences due to illness must be reported immediately to the program director.

**B. Academic Dishonesty:**

Academic misconduct committed either directly or indirectly by an individual or group is subject to disciplinary action. Prohibited activities include but are not limited to the following practices:

- Cheating, including but not limited to unauthorized assistance from material, people, or devices when taking a test, quiz, or examination; writing papers or reports; solving problems; or completing academic assignments.
- Plagiarism, including but not limited to paraphrasing, summarizing, or directly quoting published or unpublished work of another person, including online or computerized services, without proper documentation of the original source.
- Purchasing or otherwise obtaining prewritten essays, research papers, or materials prepared by another person or agency that sells term papers or other academic materials to be presented as one’s own work.
- Taking an exam for another student.
- Providing others with information and/or answers regarding exams, quizzes, homework or other assignments unless explicitly authorized by the instructor.

In addition to other possible disciplinary sanctions that may be imposed as a result of academic misconduct, the instructor has the authority to assign either (1) an F or zero for the assignment or (2) an F for the course.

**VI. Instructional Hours:**

Instructional time spent in a formal classroom setting and during excursions will total a minimum of 37.5 hours for this course.