

University of Arkansas – Fort Smith
5210 Grand Avenue
P. O. Box 3649
Fort Smith, AR 72913–3649
479–788–7000

General Syllabus

ECON 21003 Principles of Macroeconomics (Honors)

Credit Hours: 3 Lecture Hours: 3 Laboratory or other types of Hours:

Prerequisites: MATH 11003 College Algebra or higher math course and admission to Honors International Studies program or consent of instructor

Effective Catalog: 2018-2019

I. Course Information

A. Catalog Description

Introduction to macroeconomic theory, the study of national and world economies. Examines the interaction of households, businesses, and governments (domestic and foreign) in determining economic output and overall standard of living. Explores how inflation, unemployment, investment, interest rates, trade, exchange rates, taxes, national debt, and fiscal and monetary policy affect society. Emphasizes students' economic roles as consumers, workers, investors, and citizens.

II. Student Learning Outcomes

A. Subject Matter

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

1. Solve for market equilibrium from graphical, tabular, and equation presentations.
2. Discuss the circular flow model and the production possibilities frontier.
3. Describe how the principle of comparative advantage determines what a country specializes in the production of if an economy is open to trade.
4. Discuss the benefits and costs that result from free trade.
5. Summarize the factors that determine supply and demand and analyze the impacts of changes in these factors on equilibrium price and quantity.
6. Discuss government policies such as rent control and minimum wage laws that directly control prices.
7. Discuss how to measure gross domestic product and the cost of living.
8. Compute growth rates for GDP and price level.
9. Understand how to use a price index to adjust nominal figures for changes in the price level over time.
10. Calculate the size of the labor force and the unemployment rate and discuss why a natural rate of unemployment is desirable in an economy.
11. Discuss the role of productivity in improving the standard of living and determinants of a nation's productivity.
12. Explain the structure and role of the financial system in the U.S. economy.

13. Discuss the role of money in the economy and the effects of changes in money supply on various economic variables such as inflation, interest rates, production and employment.
14. Discuss open-economy macroeconomics to understand an open economy's interactions in world markets by learning how exports, imports, the trade balance and exchange rates are determined.
15. Summarize the determinants of aggregate supply and aggregate demand and discuss the impacts of changes in these factors on aggregate output and price level.
16. Differentiate between fiscal and monetary policy and identify the tools available for each as well as their anticipated consequences.
17. Discuss the trade-offs between the major economic goals pursued by U.S. policymakers.

B. University Learning Outcomes

This course enhances student abilities in the following areas:

Analytical Skills (Critical Thinking Skills)

The student will demonstrate critical thinking skills by identifying problems in various simple and complex economic situations. The student will then generate and evaluate solutions based on the proper economic analysis.

Global and Cultural Perspectives

The student will be able to identify differences in economic systems around the world and the resulting specializations and comparative advantages. The student will be able to convert prices among world currencies. The student will understand the relationship between the national economy and the world economy.

III. Major Course Topics

- A. Principles of economic thought
- B. Circular flow model
- C. Production possibilities frontier
- D. Comparative advantage and international trade
- E. Supply and demand
- F. Price ceiling and price floor
- G. Gross domestic product
- H. Cost of living
- I. Unemployment
- J. Productivity and growth
- K. The financial system
- L. The monetary system
- M. Open-economy macroeconomics
- N. Aggregate Demand and Supply
- O. Fiscal and monetary policy
- P. Short-run tradeoff between inflation and unemployment