

**BERGEN COMMUNITY COLLEGE**  
*Division of Business, Arts, & Social Sciences*  
*Department of Social Sciences*

**Departmental Policy Syllabus**

**ECO-101 Principles of Macroeconomics**

Instructor:  
Office Location:  
Office Phone:

Office Hours:  
E-mail Address:  
Departmental Secretary:

**COURSE DESCRIPTION**

This course provides an analytical and institutional study of the American economy. The course explores issues such as inflation, recession, unemployment, financial markets, money & banking, and the role of government spending and taxation to achieve an optimal allocation of resources, price stability, full-employment level of national income, and long-term growth under the modern market economy.

Credits: 3  
Hours: 3  
Prerequisites: None

Co-requisites: None  
General Education Course: Yes  
Diversity Course: No

**STUDENT LEARNING OBJECTIVES**

The main goal of this course is to improve your economic literacy and ability to apply economic models to analyze world events. As a result of meeting the requirements of this course, students will be able to:

- Explain concepts and underlying principles of choice, trade & efficiency
- Describe the mechanics of the circular flow model
- Analyze the interaction between supply and demand
- Compute measures of aggregate economic activity
- Apply such measures to the behavior of the business cycle and its phases
- Define economic growth and explain institutional structures needed to experience it
- Identify the relationship between savings and investment
- Distinguish between short-run and long-run equilibrium in the macro economy
- Identify and explain the purposes, tools, and limitations of fiscal policy
- Define the functions and the role of money in a modern market economy
- Evaluate the purpose of the Federal Reserve System in the U.S. economy
- Describe the fractional reserve banking system and money creation process
- Explain the tools and dynamics of the U.S. monetary policy
- Identify, research, and analyze current U.S. monetary policy

## **MEANS OF ASSESSMENT**

In order to meet the Student Learning Objectives above, various assessment types will be utilized. The major assessment types used in this course are graded class discussions, objective tests and examinations, essay tests and examinations, student presentations (individual or group), and writing assignments (papers, short essays, book reports, etc.).

## **COURSE TEXTBOOK**

**Suggested textbook:** McConnell, C.R, Brue, S.L., & Flynn, S. (2015). *Macroeconomics*, 20th Edition. New York, NY: McGraw-Hill/Irwin.

## **SUPPLEMENTARY READINGS**

*The Economist*

*The New York Times*

*The Wall Street Journal*

*Economic Report of the President* (Annual), Washington: Government Printing Office.

Hutchinson, Harry D, *Money, Banking and the United States Economy*, 7<sup>th</sup> ed., Englewood Cliffs, NJ: Prentice-Hall, Inc., 1992.

Keynes, John Maynard, *The General Theory of Employment, Interest and Money*, New York: Harcourt, Brace, Jovanovich, 1991.

Kuznets, Simon, *Modern Economic Growth*, New Haven, CT: Yale University Press, 1966.

*Readings in Economics* (Annual Editions), Connecticut: Baskin Publishing Co.

Schumpeter, Joseph, *Capitalism, Socialism and Democracy*, New York: Harper Collins, 1983.

U.S. Department of Commerce, *Survey of Current Business*.

## **RESEARCH, THINKING, WRITING, AND/OR EXAMINATION REQUIREMENT(S)**

**Writing Activity:** All students in the economics course will be expected to engage in one or more written assignments. These assignments may be essay questions on one or more tests, an essay test, or a short written report based on outside readings or activities. For example, students will be able to research and locate information related to a current U.S. economic policy and write a term paper about it.

**Critical Thinking:** Students would be encouraged through classroom activities to think about, analyze, and use basic economic concepts. Memorization of key concepts and theories should be thought as the first, not the final, stage of learning significant course material.

## **GRADING POLICY**

A student's final grade should be based primarily on his/her performance on the assignments and the mastery of the material covered in the course. In determining a student's final grade, a minimum of three assignments are to be employed. They may include multiple choices, definitions and essay type question examinations, a written term project, and/or an oral presentation to the class. Class participation may also be part of the final grade.

## ATTENDANCE POLICY

**BCC Attendance Policy:** All students are expected to attend punctually every scheduled meeting of each course in which they are registered. Attendance and lateness policies and sanctions are to be determined by the instructor for each section of each course. These will be established in writing on the individual course outline. Attendance will be kept by the instructor for administrative and counseling purposes.

## OTHER COLLEGE, DIVISIONAL, AND/OR DEPARTMENTAL POLICY STATEMENTS

**Academic Dishonesty:** The College has a **zero-tolerance** policy regarding academic dishonesty. Instances of alleged academic dishonesty such as plagiarism or cheating will be reported to the Departmental Chair and the Vice President for Academic Affairs. Should such allegation be proven, the student will face failure for the work where the cheating occurred, and possibly be removed from the class and suspended from the college with a permanent record of the offense established.

**Communication:** Only communications made through Bergen e-mail account will be accepted. No personal e-mail accounts will be used. Each and every one of you has a Bergen e-mail account and you must use that account when communicating with faculty members.

**Withdrawals:** Students who decide to withdraw from the class can do so without penalty (with the exception of losing tuition money) as long as they meet the official deadline for withdrawal which is posted in the Academic Calendar of the college. Please check that Calendar for the exact date. Remember, do not just walk away from the course without officially withdrawing as it will result in a 3-credit zero averaged into your GPA. If you are failing the course, withdraw officially while you can without penalty.

**Class Cancellation:** Please view class cancellations online by selecting Class Cancellations under Current Students>Student Support Services on the College's home page at [www.bergen.edu](http://www.bergen.edu).

## STUDENT AND SUPPORT SERVICES

The Distance Learning Office-for any problems you may have accessing your online courses	Room C-334	210-612-5581 <a href="mailto:psimms@bergen.edu">psimms@bergen.edu</a>
Smartthinking Tutorial Service	Online	<a href="http://www.bergen.edu/current-students/tutoring/online-tutoring-with-smartthinkingcom">http://www.bergen.edu/current-students/tutoring/online-tutoring-with-smartthinkingcom</a>
The Tutoring Center	Room L-125	201-447-7489
The Writing Center	Room L-125	201-447-7489
The Office of Specialized Services (for Students with Disabilities)	Room L-115	201-612-5269 <a href="http://www.bergen.edu/oss">www.bergen.edu/oss</a>
The Sidney Silverman Library	Room L-226	201-447-7970 <a href="http://www.bergen.edu/library">http://www.bergen.edu/library</a>

**COURSE OUTLINE AND CALENDAR**

<b>Week(s)</b>	<b>Date(s)</b>	<b>Topic</b>	<b>Reading/Activity/Assignments/Events</b>
1-2		Introduction to Economics A. A Look at Methodology B. Processes of Analysis	
2		Limits, Alternatives, & Choices A. The Economic Perspective B. Theories, Principles, & Model C. Microeconomics & Macroeconomics D. Individuals' Economizing Problem E. Society's Economizing Problem F. Production Possibilities Model G. Unemployment, Growth, & the Future	
3		Limits, Alternatives, & Choices A. The Economic Perspective B. Theories, Principles, & Model C. Microeconomics & Macroeconomics D. Individuals' Economizing Problem E. Society's Economizing Problem F. Production Possibilities Model G. Unemployment, Growth, & the Future	
3		The Market System & the Circular Flow A. Economic Systems B. Characteristics of the Market Model C. Five Fundamental Questions D. The Circular Flow Model	
4		The Market System & the Circular Flow A. Economic Systems B. Characteristics of the Market Model C. Five Fundamental Questions D. The Circular Flow Model	
4		Demand, Supply, & Market Equilibrium A. Markets B. Demand C. Supply D. Market Equilibrium	
5		Demand, Supply, & Market Equilibrium A. Markets B. Demand C. Supply D. Market Equilibrium	
5			Exam 1
6		An Introduction to Macroeconomics A. Performance & Policy B. The Miracle of Modern Economic Growth C. Uncertainty, Expectations, & Shocks D. How Sticky are Prices?	

		E. Categorizing Macroeconomic Models Using Price Stickiness	
6		Measuring Domestic Output & National Income A. Assessing the Economy's Performance B. Gross Domestic Product C. The Expenditure Approach D. The Income Approach E. Other National Accounts F. Nominal GDP vs. Real GDP G. Shortcomings of GDP	
7		Measuring Domestic Output & National Income A. Assessing the Economy's Performance B. Gross Domestic Product C. The Expenditure Approach D. The Income Approach E. Other National Accounts F. Nominal GDP vs. Real GDP G. Shortcomings of GDP	
7		Business Cycles, Unemployment, & Inflation A. The Business Cycle B. Unemployment C. Inflation D. Redistribution Effects of Inflation E. Does Inflation Effect Output?	
8		Business Cycles, Unemployment, & Inflation A. The Business Cycle B. Unemployment C. Inflation D. Redistribution Effects of Inflation E. Does Inflation Effect Output?	
8		Basic Macroeconomic Relationships A. The Income-Consumption & Income-Saving Relationship B. The Interest-Rate-Investment Relationship C. The Multiplier Effect	
9		Basic Macroeconomic Relationships A. The Income-Consumption & Income-Saving Relationship B. The Interest-Rate-Investment Relationship C. The Multiplier Effect	
9		Aggregate Expenditure Model A. Assumptions & Simplifications B. Consumption & Investment Schedules	

		<ul style="list-style-type: none"> <li>C. Equilibrium GDP</li> <li>D. Other Features of Equilibrium GDP</li> <li>E. Changes in Equilibrium GDP and the Multiplier</li> <li>F. Adding International Trade</li> <li>G. Adding the Public Sector</li> <li>H. Equilibrium vs. Full-Employment GDP</li> </ul>	
10		<ul style="list-style-type: none"> <li>Aggregate Expenditure Model</li> <li>A. Assumptions &amp; Simplifications</li> <li>B. Consumption &amp; Investment Schedules</li> <li>C. Equilibrium GDP</li> <li>D. Other Features of Equilibrium GDP</li> <li>E. Changes in Equilibrium GDP and the Multiplier</li> <li>F. Adding International Trade</li> <li>G. Adding the Public Sector</li> <li>H. Equilibrium vs. Full-Employment GDP</li> </ul>	
10			Exam 2
11		<ul style="list-style-type: none"> <li>Aggregate Demand &amp; Aggregate Supply</li> <li>A. Aggregate Demand</li> <li>B. Changes in Aggregate Demand</li> <li>C. Aggregate Supply</li> <li>D. Changes in Aggregate Supply</li> <li>E. Equilibrium &amp; Changes in Equilibrium</li> </ul>	
11		<ul style="list-style-type: none"> <li>Aggregate Demand &amp; Aggregate Supply</li> <li>A. Aggregate Demand (AD)</li> <li>B. Changes in Aggregate Demand</li> <li>C. Aggregate Supply (AS)</li> <li>D. Changes in Aggregate Supply</li> <li>E. Equilibrium &amp; Changes in Equilibrium</li> </ul>	
12		<ul style="list-style-type: none"> <li>Fiscal Policy, Deficits, &amp; Debt</li> <li>A. Fiscal Policy &amp; the AD-AS Model</li> <li>B. Built-In Stability</li> <li>C. Evaluating Fiscal Policy</li> <li>D. Problems, Criticisms, &amp; Complications</li> <li>E. The Public Debt</li> <li>F. False Concerns</li> <li>G. Substantive Issue</li> </ul>	
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13		Money, Banking, & Financial Institutions	

		<ul style="list-style-type: none"> <li>A. The Functions of Money</li> <li>B. The Components of Money Supply</li> <li>C. What “backs” the Money Supply?</li> <li>D. The Federal Reserve &amp; the Banking System</li> <li>E. The Financial Crisis of 2007 &amp; 2008</li> </ul>	
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14		<p>Money Creation</p> <ul style="list-style-type: none"> <li>A. The Fractional Reserve System</li> <li>B. A Single Commercial Bank</li> <li>C. Money-Creating Transactions of a Commercial Bank</li> <li>D. The Banking System: Multiple-Deposit Expansion</li> </ul>	
14		<p>Money Creation</p> <ul style="list-style-type: none"> <li>A. The Fractional Reserve System</li> <li>B. A Single Commercial Bank</li> <li>C. Money-Creating Transactions of a Commercial Bank</li> <li>D. The Banking System: Multiple-Deposit Expansion</li> </ul>	
15		Wrap up	
15			Final Exam

**Note to Students:** This Course Outline and Calendar is tentative and subject to change, depending upon the progress of the class.