

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

Course Outline: MACROECONOMICS

Code No.: ECN 104

Program: BUSINESS

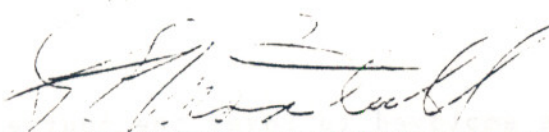
Semester: TWO

Date: 1985 06 01

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APPROVED:


Chairperson

85-06-07
Date

MACROECONOMICS

ECN 104

Course Name

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General:

Economics is an interesting, newsworthy and sometimes contentious subject which is very relevant to all of us in every walk of life. No other subject affects us as much in our daily lives as we engage in various activities to earn a living and enjoy life.

This course is designed to provide an understanding of basic economic terms and concepts as they apply to the contemporary economy and economic problems of Canada.

While economics is sometimes complex, it is not difficult and this course will attempt to discuss this subject in a relevant and interesting manner.

Objectives:

1. To introduce students to some basic economic terms and concepts.
2. To define the concepts of supply and demand and to examine the role they play in determining economic prosperity.
3. To provide students with an understanding of consumption, saving and investment, and their significance in economic activity.
4. To examine economic instability and the "multiplier effect" and how the government uses fiscal and monetary policies in an attempt to stabilize the economy.
5. To explain in some detail, inflation, its causes, policies to control inflation and the problem of stagflation.
6. To help students develop a better understanding of some of Canada's current economic problems in order that the students may draw their own conclusions concerning the problems and possible solutions.

Methodology:

A variety of methods will be employed to cover the course content. These will include lecture, discussions, and study groups. Students will be required to read and understand the relevant chapters of the textbook and other assigned readings. Student projects will also be assigned.

Evaluation & Marking Scheme:

Students will be evaluated on the following basis:

- three tests 80%
- projects, assignments, any quizzes & class participation 20%

Dates of tests will be announced approximately one week in advance. Quizzes may or may not be announced in advance.

If a student is not able to write a test because of illness or other legitimate emergency, the student must contact the instructor prior to the test and provide an explanation which is acceptable to the instructor. (Medical certificates or other appropriate proof may be required). In all other cases, the student will receive a mark of zero for that test. There will be no rewrites of any individual test.

Final Grade:

The final grade will be based on the following scale:

- 85% and over - "A"
- 70 - 84% - "B"
- 60 to 69% - "C"
- 59% or less - "R"

Each student must meet the following requirements in order to complete this course successfully:

1. Must complete, in a fashion acceptable to the instructor, all projects and other assignments.
2. Must write all tests and successfully complete at least two of the three tests. This means a minimum mark of 60% on each test.
3. Must have an overall mark of 60%. This mark includes all work in the semester.

Students who are not successful in achieving the minimum overall mark of 60% may be allowed to write a supplemental test, in limited circumstances.

A student with a final mark of 50% to 59% may apply to the instructor for permission to write a supplemental test which will be based on work from throughout the semester. The instructor may allow the student to write the supplemental test based on the student's attitude, participation in class and provided that the student has attempted all semester tests and given some indication of potential success on a supplemental test.

It is the responsibility of any student in this category to apply to write the supplemental test immediately when the final grades are posted.

A final grade of "C" will be assigned to any student who successfully completes the supplemental test.

In all other instances, students with a final mark of less than 60% will have to repeat the course.

Resource Material:

Principal Text: ECONOMICS, First Canadian Edition
A. Blomquist, P. Wonnacott, R. Wonnacott,
McGraw-Hill Ryerson Limited, 1983

Support Material: CANADIAN MACROECONOMIC PROBLEMS & POLICIES
Brian Lyons; Prentice-Hall, Canada Inc: 1983

DATELINE CANADA; 2nd Edition
Peter Kennedy and Gary Dorosk;
Prentice-Hall Canada Inc. 1982

FINANCIAL POST

Other Current Newspapers and Periodicals

MACRECONOMICS

COURSE OUTLINE - WEEKLY SCHEDULE

Subject to change, the following is a proposed weekly schedule of subjects which will be included in the instructions. They are not necessarily the only subjects to be taught but rather the major areas to be covered and are presented to indicate the overall, general direction of the course.

<u>Week</u>	<u>Subject</u>	<u>Required Readings</u>
1	<u>Economic Problems & Goals</u> -economics defined -six economic problems -role of government -five economic goals	Chapter 1
2	<u>Scarcity: The Economizing Problem</u> -what is scarcity -factors of production -production possibilities -opportunity costs	Chapter 2
	<u>Specialization, Exchange & Money</u> -specialization advantages & disadvantages -barter system -characteristics of money -Gresham's Law -Absolute & Comparative Advantage	Chapter 3
3	<u>Demand & Supply</u> -3 basic economic questions -economic systems -role of prices -types of competition -demand & quantity demanded -supply & quantity supplied	Chapter 4
4	<u>Economic Role of Government</u> -how gov't influences the economy -growth in gov't spending -taxation -five roles of gov't	Chapter 5

...cont'd

- problems with trade
- foreign exchange, rates & markets
- balance of payments
- value of the Canadian dollar
- fiscal & monetary policies and balance of payments

- 11 Aggregate Supply: Inflation & Unemployment Chapter 14
- Phillip's Curve
 - income policies
 - demand-pull inflation
 - cost-push inflation
 - wage & price spiral
 - inflation psychology
- 12 Inflation & the Economy Chapter 15
- inflation causes hardships
 - winners and losers
 - indexation
- 13 Economic Instability Chapter 16
- business fluctuations
 - recession vs depression
 - multiplier & accelerator
 - policy lags
- 14 Setting Stable Policy Chapter 17
- rules vs discretion
 - forecasting
 - leading indicators
- 15 Why Productivity is Rising More Slowly Chapter 18
- growth in labour force
 - reasons for productivity slowdown
 - growth good and bad?
 - tax cuts

NOTE:

*Additional readings will be assigned as the course progresses

**The above schedule is subject to change

