

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

C O U R S E O U T L I N E

Course Title:- MACROECONOMICS

Code No.:- ECN 104

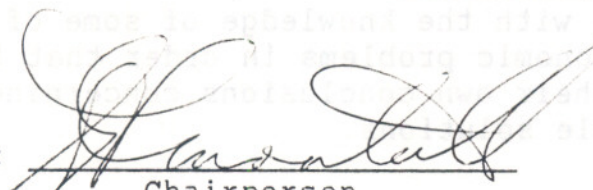
Program:- BUSINESS

Semester:- TWO

Date:- 1988 09 01

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New: _____ Revision: X

APPROVED: 
Chairperson

Date: 88-06-06

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 the student with the knowledge of the 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 basic economic terms and concepts.
2. To define the concepts of supply and demand and examine the role they play in determining economic prosperity.
3. To provide students with the knowledge of consumption, savings 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 provide students with the knowledge 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 may include lecture, discussion and study groups. Students will be required to read and understand the relevant chapters of the textbook and other assigned readings.

Student projects and/or other assignments will also be required.

EVALUATION & MARKING SCHEME:

Students will be evaluated on the following basis:

- Three tests 80%
- Projects, assignments, and quizzes 20%

Dates of tests will be announced approximately one week in advance. Tests will normally be held outside of regular class times.

Quizzes may or may not be announced in advance. If a student misses a quiz, he/she will receive zero for that quiz. No make-up quizzed will be given. Consideration may be given to students who make arrangements before a quiz is held.

If a student is not able to write a test because of illness or a legitimate emergency, that student must contact the teacher prior to the test and provide an explanation which is acceptable to the teacher. (Medical certificates or other appropriate proof may be required.) In all other cases, the student will receive a mark of zero for that test and will have to repeat the course.

THERE WILL BE NO REWRITES OF ANY INDIVIDUAL TEST.

FINAL GRADE:

The final grade will be based on the following scale:

90% or more	"A+"
80% to 89%	"A"
70% to 79%	"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 teacher, 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% and/or do not pass two out of three tests, may be allowed to write a supplemental test, in limited circumstances. Students who choose not to complete the required assignments in an acceptable fashion, as they are due, will repeat the course.

A student with a final mark of 55% to 59% may apply, in writing, to the teacher for permission to write a supplemental test which will be based on work from the entire semester. The teacher 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, completed all assignments and given some indication of potential success on a supplemental test.

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

A final grade of "C" will be assigned to any student who obtains 60% or more on the supplemental test.

In all other instances, students who have not achieved the minimum requirements will have to repeat the course.

RESOURCE MATERIAL:

Principal Text: Economics, Second Canadian Edition
A. Blomqvist, P. Wonnacott, R. Wonnacott;
McGraw-Hill Ryerson Limited, 1983

- Support Material: 1. Economics A Problem Solving Approach
Elijah M. James: Prentice-Hall Canada
Inc. 1987
2. Other current newspapers & periodicals

NOTE:

All assignments must be submitted to the instructor at the beginning of class on the due date. Assignments may be submitted in advance but no assignments will be accepted after the stated deadline. It is the student's responsibility to ensure the instructor gets the completed assignment.

Questions assigned for homework must be completed properly and be available at any time to be submitted for evaluation. They too will be collected at the beginning of class and none will be accepted after that time.

Quizzes, tests, assignments, projects, etc. will be returned to students during one of the normal class times. Any student not present at that class must pick up his/her test, etc. at the teacher's office within two weeks after that class. Tests, etc. not picked up within two weeks will be discarded.

Tests, etc. will be returned only to those students to whom they belong.

MACROECONOMICS
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 -economic growth, questions & problems -role of government -five economic goals -economic diagrams (appendix)	Chapter 1
2	<u>Scarcity: The Economic Problem</u> -what is scarcity -factors of production -entrepreneurial ability -production possibilities -opportunity costs -economic growth	Chapter 2
	<u>Specialization, Exchange & Money</u> -specialization, advantages and disadvantages -barter system -monetary system -characteristics of money -Gresham's Law -absolute & comparative advantage	Chapter 3
3	<u>Demand & Supply:</u> <u>The Market Mechanism</u> -three basic economic questions -market & government -economic systems -role of prices -types of competition -demand & quantity demanded -supply & quantity supplied -shifts in demand and supply -market strengths & limitations	Chapter 4

- 4 Economic Role of Government Chapter 5
- how gov't influences the economy
 - growth in government spending
 - budgets of Canadian Governments
 - government regulations
 - five roles of government
 - taxation
- 5 Measuring National Product Chapter 7
- gross national product
 - value added concept
 - GNP categories
 - real & nominal GNP
 - GNP limitations
 - consumer price index
- 6 Fluctuations in Economic Activity:
Unemployment and Inflation Chapter 8
- four phases of business cycle
 - seasonal adjusted data
 - unemployment
 - types of unemployment
 - full employment
 - inflation - losers & winners
- 7 Explaining Unemployment & Inflation:
Aggregate Supply and Demand Chapter 9
- purchasing power
 - classical approach
 - Keynesian approach
- 7 & 8 Equilibrium with Unemployment:
The Keynesian Approach Chapter 10
- personal consumption
 - saving function
 - marginal propensity to consume
 - marginal propensity to save
 - saving & investment
 - the multiplier
 - Paradox of Thrift (Appendix 10-B)
- 9 Government & Foreign Trade in the
Keynesian Model Chapter 11
- fiscal policy
 - taxes
 - exports & imports
 - injections & leakages
 - automatic stabilizers
 - public debt

15 How to adjust to Inflation Chapter 18

- real rate of interest
- inflation & front loading on debt
- inflation & the tax system
- effects on business
- inflation & uncertainty
- indexed wages

Productivity & Growth: Why Have They Been Disappointing Chapter 19

- productivity & growth
- reasons for productivity slowdown
- why growth
- taxes

NOTE:

Additional reading will be assigned as the course progresses.

THE ABOVE SCHEDULE IS SUBJECT TO CHANGE.

IT WILL BE TO THE STUDENTS' ADVANTAGE TO HAVE ANY QUESTIONS, CONCERNS, OR PROBLEMS RELATED TO THIS COURSE RESOLVED AS SOON AS POSSIBLE. IF YOU REQUIRE ANY ASSISTANCE, SEE YOUR TEACHER. HE WILL BE MORE THAN HAPPY TO HELP.