

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

Course Title:- MACROECONOMICS

Code No.:- ECN 104

Program:- BUSINESS

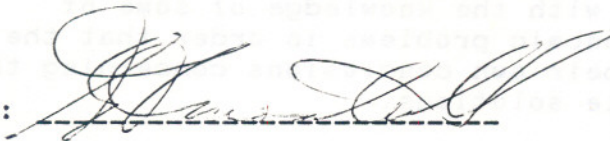
Semester:- TWO

Date:- 1987 01 02

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New: \_\_\_\_\_ Revision: X \_\_\_\_\_

APPROVED:



Date:

87-01-02

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 some 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 will 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, any quizzes & class participation 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 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:

85% or more	"A"
70% to 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 requirements may be allowed to write a supplemental test, in limited circumstances.

A student with a final mark of 55% to 59% may apply 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 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 who have not achieved the minimum requirements 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:
1. Economics Today, The Macro View;  
Miller and Antler  
Harper & Row Publishers, 1985
  2. Canadian Macroeconomics Problems and Policies; Brian Lyons; Prentice-Hall  
Canada Inc. 1982
  3. Financial Post
  4. Other current newspapers & periodicals

NOTE:

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 &amp; Goals</u> -economics defined -six economic problems -role of government -five economic goals	Chapter 1
2	<u>Scarcity: The Economic Problem</u> -what is scarcity -factors of production -production possibilities -opportunity costs	Chapter 2
	<u>Specialization, Exchange &amp; Money</u> -specialization, advantages and disadvantages -barter system -characteristics of money -Gresham's Law -absolute & comparative advantage	Chapter 3
3	<u>Demand &amp; Supply</u> -three 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 government spending -taxation -five roles of government	Chapter 5



- 10      Stabilization Policy & International Trade      Chapter 13
- 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 & 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 reading will be assigned as the course progresses.

THE ABOVE SCHEDULE IS SUBJECT TO CHANGE.

