

COLLEGE OF MICRONESIA – FSM
Kolonia, Pohnpei, FM 96941

MACROECONOMICS
 Course Title

EC 230
 Dept & No.

Course Description:

The emphasis of the course is on the analysis of the entire economy and covers such areas as national income and products accounts, the banking system, business fluctuations, employment and unemployment, inflation, monetary and fiscal policy and economic growth. FSM national budget and national plans are critically analyzed.

Course prepared by: Charles Musana, Division of Business Administration

	Hours per week	x	Number of weeks	=	Total hours	=	Semester credits	
Lecture	<u>3</u>	x	<u>16</u>	=	<u>48/16</u>	=	<u>3</u>	
Laboratory	<u> </u>	x	<u> </u>	=	<u> </u>	=	<u> </u>	
Workshop	<u> </u>	x	<u> </u>	=	<u> </u>	=	<u> </u>	
Total Semester Credits							=	<u>3</u>

Purpose of Course: Degree Requirement x
 Degree Elective
 Certification
 Remedial
 Other

Prerequisite Courses:

Microeconomics – EC 220

Signature, Chairperson Curriculum Committee	<u>12/1/98</u> Date approved by Committee
Signature, President COM-FSM	<u>12/23/98</u> Date approved by President

I. Course Description

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II. General Objectives

This course will introduce students to:

- the nature of money
- key concepts of National Income and Products Accounts
- methods of measuring Gross Domestic and Gross National Product
- components of GDP: C, I, G and X
- factors that determine the level of GDP/GNP
- business cycles and economic stabilization - monetary and fiscal policy
- inflation, recession and unemployment: types, causes, effects and remedies
- issues in economic development

III. Specific Objectives

After completion of this course, students will be able to:

- explain the interdependence among household, business and government sectors in the operation of the economy
- describe the role of money and the banking system in the economy
- identify stages of the business cycle – peak, recession, depression and expansion

- analyze the role of economic stabilization policy, including fiscal and monetary policy, in influencing the direction of GDP, unemployment and inflation
- interpret the national budget - sources and expenditure of revenue and reasons for deficit and surplus budgets
- comprehend the methodology used to compute GDP in FSM
- identify problems faced by developing countries around the world
- analyze issues and alternatives in economic development

IV. Course Content

- i. Circular flow of income and spending
- ii. Analysis of National Income and Product Accounts
- iii. Determination of level of GNP and GDP
- iv. Economy of FSM – GDP, budget, inflation, employment
- v. Schools of economic thought – Keynesian, monetarist, et al
- vi. Business cycles and inflation, recession and unemployment
- vii. Economic stabilization policy – monetary, fiscal and automatic
- viii. Money and the banking system - US Federal Reserve and FSM banking system
- ix. Economic development – problems, issues, alternatives, outlook

V. Texts and References

Text:

Economics: The Science of Common Sense, 8th edition (1995)

Bowden, Elbert V. and Bowden, Judith H.

References:

National Development Plans (1986 – 1997)*

National Executive Budgets (1990 – 1996)*

*Updated regularly (annually)

VI. Evaluation

Grades will be assigned based on the following percentage of total points received from exams, projects, quizzes, practice sets, class participation, and the mid-term and final exams:

A.....	90% and above
B.....	80% to 89%
C.....	70% to 79%
D.....	60% to 69%
F.....	59% and below

VII. Attendance Policy

The COM-FSM attendance policy will be observed. Seven absences will result in automatic withdrawal from classes if the course is offered for one hour on MWF. For the 1 ½hr Tue and Thu classes, five absences will result in automatic withdrawal. Any homework assignments must be turned in on time, regardless of attendance. No quizzes or exams can be made up without a valid medical excuse.