**College of Micronesia-FSM**

**DIVISION OF BUSINESS ADMINISTRATION**

**National Campus,**

**P.O. Box 159 Kolonia, Pohnpei FM 96941**

**SYLLABUS IN MACROECONOMICS**

**Course No. :** EC230 **Course Title :** Macroeconomics

**Time Frame :** 30 days **Credit Units : 3**

**Semester :** SPRING 2014 **Schedule : 3:30-4:55 TTH**

**Instructor :** Timothy James M. Mamangon **e-mail address: timothy@comfsm.fm**

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**Office Hours :** 1-2 TTH 9-10 MWF or by appointment

**EC-230 Principles of Macroeconomics**

Course Description:

This introductory course in macroeconomics analyses the aggregate economic activity in the national economy and its link with the rest of the world. Emphasis is placed on basic principles involved in the determination of the level of national output, the aggregate price level, money supply, exchange rate, employment and unemployment, inflation, fiscal and the monetary policies. It further provides a broad understanding of economic growth and its implications on the economy.

**A. INSTITUTIONAL STUDENT LEARNING OUTCOMES** (Check all that apply)

1. **Effective oral communication**: capacity to deliver prepared, purposeful presentations designed to increase knowledge, to foster understanding, or to promote change in the listeners’ attitudes, values, beliefs, or behaviors.

2. **Effective written communication**: development and expression of ideas in writing through work in many genres and styles, utilizing different writing technologies, and mixing texts, data, and images through iterative experiences across the curriculum.

3. **Critical thinking**: a habit of mind characterized by the comprehensive exploration of issues, ideas, artifacts, and events before accepting or formulating an opinion or conclusion.

4. **Problem solving**: capacity to design, evaluate, and implement a strategy to answer an open-ended question or achieve a desired goal.

5. **Intercultural knowledge and competence**: a set of cognitive, affective, and behavioral skills and characteristics that support effective and appropriate interaction in a variety of cultural contexts.

6. **Information literacy**: the ability to know when there is a need for information, to be able to identify, locate, evaluate, and effectively and responsibly use and share that information for the problem at hand.

7. **Foundations and skills for life-long learning**: purposeful learning activity, undertaken on an ongoing basis with the aim of improving knowledge, skills, and competence.

8. **Quantitative Reasoning**: ability to reason and solve quantitative problems from a wide array of authentic contexts and everyday life situations; comprehends and can create sophisticated arguments supported by quantitative evidence and can clearly communicate those arguments in a variety of formats.

**A. PROGRAM LEARNING OUTCOMES (PLOs):**

The student will be able to:

1. Demonstrate basic knowledge of each of the functional areas of business- accounting, management, marketing, economics and finance by emphasizing their importance in an organization and describing their interrelationship in the organization’s attempt to achieve its objective.
2. Demonstrate basic knowledge and skill in the use of cost and managerial concepts and techniques as management tools for planning, controlling, evaluating performance and making decisions
3. Demonstrate basic knowledge and skill in business mathematics and elementary statistics by accurately performing common business computations, statistical data presentation and analysis
4. Demonstrate basic knowledge and skill in intercultural writing and speaking appropriate for business
5. Demonstrate a basic understanding of the legal environment and ethical challenges confronting business in general and in the FSM, from both local and global perspectives

**B. STUDENT LEARNING OUTCOMES (SLOs): - GENERAL**

The student will be able to:

1. Explain the interdependence among household, business and government sectors in the operation of the economy
2. Identify stages of the business cycle - peak, recession, depression and expansion
3. Comprehend the methodology used to compute Gross Domestic Product (GDP) in FSM
4. Interpret the national budget - sources and expenditure of revenue and reasons for deficit and surplus budgets
5. Analyze the role of economic stabilization policy, including fiscal and monetary policy, in influencing the direction of Gross Domestic Product (GDP), unemployment and inflation
6. Describe the role of money and the banking system in the economy

**C. STUDENT LEARNING OUTCOMES (SLOs) – SPECIFIC:**

The student will be able to:

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| **CSLO (General) 1:** Explain the interdependence among household, business and government sectors in the operation of the economy. | | | |
| Student Learning Outcome (specific) | ISLO | PSLO | Assessment Strategies |
| 1.1 Draw and explain the circular flow of resources, good, services and money | 3,7 | 1 | Students will draw the circular flow of resources and label the money flow and the resource flow.  **Assessment Type:** Individual Activity  **Evaluation Type:** Formative |
| 1.2 Explain Aggregate Supply and Aggregate Demand | 3,7 | 1 | Students will graph and compute for Aggregate Supply and Aggregate Demand.  **Assessment Type:** Individual Activity  **Evaluation Type:** Formative |
| 1.3 Describe what is Gross Domestic Product and differentiate between Nominal and Real GDP | 3,7 | 1 | Students will compute Nominal GDP and Real GDP using the index approach and the manual approach.  **Assessment Type:** Exam/Quiz  **Evaluation Type:** Summative |
| **CSLO (General) 2:** Identify stages of the business cycle – peak, recession, depression and expansion. | | | |
| Student Learning Outcomes (specific) | ISLO | PSLO | Assessment Strategies |
| 2.1 Describe the various phases of the business cycle. | 3,7 | 1 | Students will illustrate using a flowchart the stages of the business cycle.  **Assessment Type:** Individual Activity  **Evaluation Type:** Formative |
| **CSLO (General) 3:** General SLO 3. Comprehend the methodology used to compute GDP in FSM. | | | |
| Student Learning Outcomes (specific) | ISLO | PSLO | Assessment Strategies |
| 3.1 Identify the two approaches of measuring Gross Domestic Product and the one used by FSM | 3,7 | 1 | Students will compute GDP using the income approach and the expenditure approach.  **Assessment Type:** Quiz  **Evaluation Type:** Summative |
| 3.2 Describe the relationships between Gross Domestic Product (GDP), Gross National Product (GNP), Net National Product (NNP) and National Income. | 3,7 | 1 | Students will compute GDP, GNP, NNP, and National income.  **Assessment Type:** Exam/Quiz  **Evaluation Type:** Summative |
| 3.3 Identify the limitations of GDP as a measure of economic well-being | 3,7 | 1 | Students will enumerate the limitations of GDP as a measure of economic well-being  **Assessment Type:** Individual Activity  **Evaluation Type:** Formative |
| **CSLO (General) 4:** Interpret the national budget - sources and expenditure of revenue and reasons for deficit and surplus budgets. | | | |
| Student Learning Outcomes (specific) | ISLO | PSLO | Assessment Strategies |
| 4.1 Explain the interaction between consumers and producers | 3,7 | 1 | Students will illustrate using a flow chart the interaction of consumers and producers.  **Assessment Type:** Individual Activity  **Evaluation Type:** Formative |
| 4.2 Identify Macroeconomic equilibrium is achieved and what is the equilibrium level of national income | 3,7 | 1 | Students will compute, and graph national income equilibrium for 1 sector, 2 sector, 3 sector and 4 sector economies.  **Assessment Type:** Exam/Quiz  **Evaluation Type:** Summative |
| 4.3 Identify the relationship between saving and investment | 3,7 | 1 | Students will compute for national income using injection and leakage approach. Students will also graph savings and investment and should identify where equilibrium income is.  **Assessment Type:** Individual Activity  **Evaluation Type:** Formative |
| **CSLO (General) 5:** Analyze the role of economic stabilization policy, including fiscal and monetary policy, in influencing the direction of GDP, unemployment and inflation. | | | |
| Student Learning Outcomes (specific) | ISLO | PSLO | Assessment Strategies |
| 5.1 Describe the different types of unemployment, calculate the rate of unemployment | 3,7 | 1 | Students will identify the different types of unemployment and calculate the rate of unemployment for the different problems given.  **Assessment Type:** Individual Activity  **Evaluation Type:** Formative |
| 5.2 Identify and calculate recessionary and inflationary gaps | 3,7 | 1 | Students will graph and identify on the graph the part showing the recessionary gap and inflationary gap.  **Assessment Type:** Individual Activity  **Evaluation Type:** Formative |
| 5.3 Describe what inflation is and how it is measured. | 3,7 | 1 | Students will compute the inflation rate using the data given.  **Assessment Type:** Individual Activity  **Evaluation Type:** Formative |
| 5.4 Describe fiscal policy tools and demonstrate their applications | 3,7 | 1 | Students will identify what fiscal policy the government should implement on different scenarios. Students will graph how the fiscal policy will affect aggregate demand and general price level, and the changes it will make to national income.  **Assessment Type:** Quiz  **Evaluation Type:** Authentic |
| **CSLO (General) 6:** Describe the role of money and the banking system in the economy | | | |
| Student Learning Outcomes (specific) | ISLO | PSLO | Assessment Strategies |
| 6.1 Describe the characteristics and features of money | 3,7 | 1 | Students will be given multiple-choice questions on the characteristics and features of money.  **Assessment Type:** Individual Activity  **Evaluation Type:** Formative |
| 6.2 Explain how banks create money | 3,7 | 1 | Students will illustrate using a flow chart how the government create money.  **Assessment Type:** Individual Activity  **Evaluation Type:** Formative |
| 6.3 Explain the interaction of bank deposits and loans | 3,7 | 1 | Students will write an essay on the role of deposits and loans of the bank.  **Assessment Type:** Individual Activity  **Evaluation Type:** Formative |
| 6.4 Describe the role of the Reserve Bank or Central Bank and in the case for FSM, the Banking Board as the regulator for the banking industry | 3,7 | 1 | Students will enumerate how the Central Bank changes the money supply. Students will also graph these changes in money supply affect interest rates.  **Assessment Type:** Individual Activity  **Evaluation Type:** Formative |
| 6.5 Describe monetary policy tools and demonstrate their applications. | 3,7 | 1 | Students will enumerate the different monetary policies used by the government to manipulate prices and national income. Students will also graph how the policies affect interest rates, aggregate demand, price level, and national income.  **Assessment Type:** Quiz  **Evaluation Type:** Authentic |

**D. COURSE CONTENT**

1. Introduction
2. Production Possibilities and Opportunity Costs
3. Demand and Supply
4. Aggregate Demand and Aggregate Supply
5. Gross Domestics Product Accounting
6. Consumption and Investment
7. Equilibrium National Income
8. Fiscal Policy-Coping with Inflation and Unemployment
9. Long-Run Economic Growth and Business Cycles
10. Money
11. Money Creation and the Banking System
12. The Federal reserve system and Monetary Policy
13. Can Government stabilize the Economy
14. Government Spending
15. Financing Government-Taxes and Debt
16. International Trade
17. Exchange Rates, Balance of Payments and International debt
18. The Economic Problems of Less- Developed Economies.

**E. REQURIED TEXT(S) AND COURSE MATERIALS**

GOTTHEIL,F. M.E. (2008). Principles of Macroeconomics, 6th Edition (or most recent edition).

**F. GRADING CRITERIA**

Homework, Class Activity, Group Activity 60%

Quiz 20%

Midterm Exam 10%

Final Exam \_\_10%

Total 100 %

Grades will be assigned based on the following percentage of total points received homework/assignments, recitation/ oral presentation, quizzes, mid-term exam, final exam, and attendance:

A…………………………..90% to 100%

B…………………………..80% to 89%

C…………………………..70% to 79%

D…………………………..60% to 69%

F…………………………..59% and below

**G. ATTENDANCE POLICY**

Students are required to attend the class during scheduled class time. A maximum of 6 absences in an MWF class and 4 absences in a TTH class can be allowed during the semester. The total missed classes include unexcused and excused, such as sickness, funerals, and any other circumstances. **A student exceeding the maximum limit of absences will be withdrawn from the class by the instructor without prior notice to the student**.

Latecomers will be marked tardy and three(3) tardiness during MWF and two(2) tardiness during TTH classes will be counted as one absence. For an MWF class, a student will be rendered tardy after 10 minutes, and for a TTh class, a student will be marked tardy after 15 minutes.

**H. ACADEMIC HONESTY POLICY**

The COM-FSM Academic Policy applies to this course (**Pls. refer to your handbook**)

***Prepared by: Timothy James M. Mamangon***