

ECON 102, Introduction to Macro-Economics

3 credits, 3 hours lecture

Course Description

This introductory course provides a basic understanding of the macroeconomy with an emphasis on Canadian problems and policies. It explains the performance of the overall macro economy, as measured by key economic indicators. Keynesian and Monetarist theories are examined and used as a framework to analyze and evaluate the effects of government fiscal and monetary policies on income, employment, and inflation. International economic issues of free trade, the balance of payments, and exchange rates are also examined and discussed.

Pre and Co-requisites

ECON 101 or permission of the Program Chair

Course Learning Outcomes (CLOs)

Upon successful completion of the course, the student shall be able to:

CLO1 Explain how macroeconomic performance is measured.

The following concepts, skills, and issues are used to support this Outcome:

- Describe the business cycle and explain the effects on economic growth.
- Discuss the different types of unemployment and calculate the unemployment rate and participation rate.
- Explain how inflation is measured and how it affects the economy.
- Define Gross Domestic Product (GDP) and explain the expenditure method of calculating GDP.
- Define economic growth and discuss some of the limitations of using it as a measure of national welfare.

CLO2 Describe the theories of macroeconomic performance in the determination of National Income, Employment, and Inflation.

The following concepts, skills, and issues are used to support this Outcome:

- Explain the key determinants in the Keynesian total planned expenditure model.
- Describe how equilibrium national income is established in the Keynesian model.
- Evaluate how autonomous changes in expenditure have a multiplier effect on equilibrium GDP.
- Describe the concepts of the aggregate demand (AD) and short-run aggregate supply (SRAS) model.
- Recognize the factors that cause the AD curve and SRAS curve to shift and their effects on equilibrium GDP.

CLO3 Analyze and evaluate the effects of Fiscal Policy on macroeconomic performance and on Public Debt.

The following concepts, skills, and issues are used to support this Outcome:

- Evaluate the effects of fiscal policy using the AD and SRAS models.
- Explain the relationship between government budgets and the accumulated debt and describe the current situation for Canadian governments.
- Describe how fiscal policy time lags, crowding out, the net export effect, and combined government spending effect may offset the effectiveness of fiscal policy to eliminate GDP gaps.
- Describe how certain aspects of Canada's fiscal policy function as automatic stabilizers for the economy.

CLO4 Analyze and evaluate the effects of Monetary Policy on macroeconomic performance.

The following concepts, skills, and issues are used to support this Outcome:

- Describe the Canadian monetary system and what “backs” the Canadian dollar.
- Understand how the Canadian financial system's relationship between total deposits and reserves is able to create and destroy money.
- Describe how the Bank of Canada conducts monetary policy.
- Evaluate the effects of monetary policy using the AD and SRAS models.

CLO5 Analyze and evaluate the impact of International Trade and Balance of Payments on macroeconomic performance.

The following concepts, skills, and issues are used to support this Outcome:

- Discuss the importance of international trade to Canada.
- Calculate a country's comparative advantage and explain why it will gain from specialization in the production of goods and services that it has a comparative advantage.
- Describe the arguments for and against international trade and explain how countries restrict international trade.
- Identify the key accounts within the Balance of Payments (BOP) and identify the balance of trade subcomponent.
- Identify and discuss the factors that affect Canadian exchange rates.
- Explain the different ways that governments have attempted to fix exchange rates and limit exchange rate variability.

Evaluation

Assessment Type	Percentage
Assignments	20%
Quizzes	20%
Term Exam	30%
Final Exam	30%
Total	100%

Course Completion Requirements

Minimum passing mark of 50% or D is required.

Grading Scale

4.0 Grade Scale	Alpha Grade	Percentage Grade
4.0	A+	93-100
4.0	A	85-92.9
3.7	A-	80-84.9
3.3	B+	77-79.9
3.0	B	74-76.9
2.7	B-	70-73.9
2.3	C+	67-69.9
2.0	C	64-66.9
1.7	C-	60-63.9
1.3	D+	55-59.9
1.0	*D	50-54.9
0.0	F	0-49.9

Land Acknowledgement

We respectfully acknowledge that Keyano College is on Treaty No. 8 Territory, the ancestral and traditional territory of the Cree, Dene, and Métis people.

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Every effort has been made to ensure that information in this course outline is accurate at the time of publication. Keyano College reserves the right to change courses if it becomes necessary so that course content remains relevant. In such cases, the instructor will give the students clear and timely notice of the changes.

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