

## Virginia Community College Course Content Summary

**Course Title:** ECO 150: Economic Essentials: Theory and Application

### **Course Description**

Presents a broad overview of microeconomic and macroeconomic theory with application to current economic situations. Introduces concepts, policies, and theories in addition to models of domestic and global economies. Lecture 3 hours per week. 3 credits.

### **General Course Purpose**

The purpose of this transfer level course is to provide students with an introduction to economic principles to increase understanding of domestic and global economic issues. This course serves as a lower division major requirement for programs requiring a basic understanding of economics. This course is not intended for students majoring in Business or Economics at a four-year university.

### **Course Prerequisites/Corequisites**

None

### **Course Objectives**

Upon completing the course, the student will be able to:

#### Communication

- Demonstrate college-level communication skills.

#### Data Literacy

- Identify economic similarities and differences among nations using statistical information.

#### Technology

- Retrieve relevant economic data from web-based sources and databases.

#### Critical Thinking Skills

- Assess the credibility of given economic theories and economic data to determine whether certain conclusions or consequences are supported by the information provided.

#### Definition and Scope of Economics

Topics: Economic Behavior, Categories of Resources, Scarcity, Choice, Opportunity Cost

- Explain the social, historical and economic impact of scarcity and choice on the individual as well as the domestic and global economy using economic models and current applications.

#### Market Interactions

Topics: Competitive Markets, Demand, Supply, Market Equilibrium; Price Elasticity of Demand; Government Price Controls; Labor Market

- Recognize differences in Market Supply and Demand. Identify the impact of changing prices versus changing determinants of supply and demand in theory and in practice.
- Identify types of price controls, critical shortages or examples of surpluses in global markets.
- Interpret the relationship between today's labor market and the demand and supply model.
- Define and graph demand and supply of labor curves and include changes in the equilibrium wage rate and quantity of labor employed.
- Interpret price elasticity of demand coefficient values and determine the direction of price changes to increase total revenue.
- Determine the equilibrium price and quantity when given either data or a graph of Supply and Demand.

### Gross Domestic Product:

Topics: Expenditure Approach to Measuring GDP; Real and Nominal GDP; Causes of Economic Growth

- Distinguish between Real and Nominal GDP; calculate GDP Per Capita.
- Compare and explain differences in the real GDP Growth Rate in different nations and situations.

### Inflation, Unemployment, and the Business Cycle

Topics: types and causes of unemployment and inflation; measuring inflation, the four parts of the business cycle.

- Connect short term fluctuations in the GDP growth rate with types of inflation and unemployment.
- Retrieve data and explain differences in unemployment rates and inflation rates among nations.
- Identify business cycle positions in theory and the current economy.
- Calculate inflation and unemployment rates.

### Fiscal Policy and Monetary Policy

Topics: Fiscal and Monetary Policy Tools, National Debt, Government spending, and tax multipliers; Federal Reserve; money creation and deposit multiplier

- Identify tools of fiscal and monetary policy in the macroeconomy.
- Identify fiscal and monetary policymakers and their limitations.
- Identify how expansionary or contractionary fiscal and monetary policies are used in various economies to address a specific economic problem.
- Identify and calculate appropriate multipliers.

### Production and Costs

Topics: Short Run Cost Curves and Long-Run Cost Curves; Categories of Profit

- Define and graph types of short-run and long-run costs.
- Explain with specific examples, how firms move between the short and long run in economics.

### Market Structure

Topics: Perfect Competition, Pure, and Natural Monopoly

- Identify differences between perfectly competitive natural monopoly and pure monopoly market structures.
- Graph and explain how firms in each market determine price, output, and profit.
- Identify economic profit, normal profit or loss from a graph.

### International Trade

Topics: Comparative Advantage, Production Possibilities Frontier and Gains from Trade; Free trade and Protectionism

- Calculate comparative advantage between two nations and be able to identify goods imported and exported in the context of the Production Possibilities Model.

Course Prefix and Number \_\_\_\_\_ (To be assigned by the VCCS)

- Compare economies using protectionism versus free trade illustrating the advantages and disadvantages of each.

**Major Topics to be Included**

Definition and Scope of Economics

Market Interactions

Gross Domestic Product

Inflation, Unemployment, and the Business Cycle

Fiscal Policy and Monetary Policy

Production and Costs

Market Structure

International Trade