



School of Business & Creative Design

Business & Business Administration Department

Course Outline – Winter 2014

Course Code: ECO 1113

Course Title: MACROECONOMICS

Prepared By: C. MIDDLETON

Date: January 2012

Revised By:

Date: December 2013

Approved By: Yvonne Clarke, Associate Dean

Prerequisite: NONE

Corequisite: NONE

Prerequisite for: NONE

1. Course Description

This course provides an understanding of the role of economics in business decision making through the study of the methodology of economics, the components of the Canadian economy, cycles in the economy, macroeconomic goals, the measuring of economic performance, and government intervention in the economy as government attempts to manage the economy.

2. General Education and Essential Employability Skills

This course provides the following provincial Essential Employability Skills:

- #1: Communication
- #2: Numeracy
- #3: Critical Thinking and Problem Solving
- #4: Information Management
- #5: Interpersonal
- #6: Personal

Is this course approved as a General Education course?

☒

No

☐

Yes

Students should refer to their program's restricted General Education courses for final determination.

3. Learning Outcomes

Upon successful completion of this course, the learner will be able to:

1. Demonstrate correct usage of economics terminology
2. Explain the role of scarcity in economic decision making and the study of economics
3. Measure and describe the major components of the national economy and the transactions among them.
4. Apply macroeconomic models to predict the effect of economic events on the various components of the economy and the level of economic activity.
5. Apply macroeconomic models to formulate individual economic decisions
6. Describe the mechanics of government monetary and fiscal policy
7. Assess the effectiveness of government economic policy in achieving economic and political goals.
8. Explain the significance and mechanisms of international trade in the context of the Canadian economy

4. Course Objectives

(The number in brackets at the end of each objective refers to the learning outcome from section 3.)

*Learning Outcome
Reference Number*

Unit 1 *Introduction to Macroeconomic Activity*

- | | | |
|-----|--|-------|
| 1.1 | Discuss Scarcity and Choice | [1,2] |
| 1.2 | Compare Market Economies and Command Economies | [2,4] |
| 1.3 | Define and measure GDP. | [3] |
| 1.4 | Construct the Injection Leakage approach of Macroeconomic equilibrium. | [4,5] |
| 1.5 | Explain the Business Cycle. | [3,4] |
| 1.6 | Determine levels and causes of Inflation. | [3,5] |
| 1.7 | Measure and determine causes of Unemployment. | [3,5] |

Unit 2 *Aggregate Demand and Aggregate Supply*

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|-----|---|---------|
| 2.1 | Construct an Aggregate Demand curve. | [3,4] |
| 2.2 | Construct an Aggregate Supply curve. | [3,4] |
| 2.3 | Determine levels of Full Employment | [4,5] |
| 2.4 | Discuss debt and deficit. | [4,6] |
| 2.5 | Construct the Keynesian Multiplier. | [4,6] |
| 2.6 | Construct the Government Expenditure Multiplier. | [4,6] |
| 2.7 | Construct the Tax Multiplier. | [4,6] |
| 2.8 | Determine appropriate levels of expenditure and taxes to maintain economic equilibrium. | [4,6,7] |

Unit 3 *Monetary Policy*

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|-----|--|-------|
| 3.1 | Discuss the functions of the Bank of Canada. | [6] |
| 3.2 | Determine how money is created. | [6] |
| 3.3 | Determine interest rates. | [6,7] |

Unit 4 *International Trade*

- | | | |
|-----|---|-------|
| 4.1 | Evaluate the gains from trade. | [8] |
| 4.2 | Discuss barriers to trade. | [8] |
| 4.3 | Show the connection between trade and output. | [7,8] |
| 4.4 | Explain balance of payments. | [7,8] |

5. Resources and Supplies

a. Required

Sexton, Robert, Fortuna, Peter, Kovacs, Colin, Exploring Economics (3rd Cdn. Edition), (2013). Toronto: Thomson Nelson

b. Supplemental

Newspaper, Aplia – Online Study Resource included with Textbook.

6. Methodology

The course will consist of lectures, discussions, and review of assigned problems. The focus is on problem solving.

7. Student Evaluation

A grade of D is the passing grade for this course. Some programs, however, may require a higher grade for progression through, or graduation from, the program. Students should check program requirements.

The following elements will determine the student's final grade:

Tests #1	25%
Test # 2	25%
Test # 3	25%
Test #4	25%
Total	100%

Note: There is a possible 10% bonus for completion of Aplia assignments.

The round off mathematical principle will be used. Percentages are converted to letter grades and grade points as follows:

Mark (%)	Grade	Grade Point	Mark	Grade	Grade Point
94-100	A+	4.0	67-69	C+	2.3
87-93	A	3.7	63-66	C	2.0
80-86	A-	3.5	60-62	C-	1.7
77-79	B+	3.2	50-59	D	1.0
73-76	B	3.0	0-49	F	0.0
70-72	B-	2.7			

8. Academic Integrity

Lambton College is committed to high ethical standards in all academic activities within the College, including research, reporting and learning assessment (e.g. tests, lab

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reports, essays).

The cornerstone of academic integrity and professional reputation is principled conduct. All scholastic and academic activity must be free of all forms of academic dishonesty, including copying, plagiarism and cheating.

Lambton College will not tolerate any academic dishonesty, a position reflected in Lambton College policy. Students should make themselves familiar with the [Students Rights and Responsibilities Policy](#), located on the MyLambton website for details concerning academic dishonesty and the penalties for dishonesty and unethical conduct.

Questions regarding this policy, or requests for additional clarification, should be directed to the [Lambton College Centre for Academic Integrity](#)

9. Related Items

Students with Disabilities

If you are a student with a disability please identify your needs to the professor and/or the Accessibility Centre so that support services can be arranged for you. You can do this by making an appointment at the SSD, Room L103 ext.3427 or by arranging a personal interview with the professor to discuss your needs.

Student Rights and Responsibility Policy

Acceptable behaviour in class is established by the instructor and is expected by all students. Any form of harassment or violence will not be tolerated. Action will be taken as outlined in Lambton College policy.

Cheating and plagiarism are serious academic offences subject to disciplinary action. It is the student's responsibility to be aware of the cheating policy as described in the Lambton College Student Rights and Responsibilities policy. For further information on all of these policies, links may be found on the Lambton College website.

Prior Learning Assessment Statement

This course is eligible for Prior Learning Assessment

☒ **Yes** ☐ **No**

If yes has been selected, you may choose to contact the Counselling Department for advice on Prior Learning Assessment.

Date of Withdrawal without Academic Penalty

Please consult the Academic Regulations and Registrar's published dates.

Waiver of Responsibility

Every attempt has been made to ensure the accuracy of this information as of the date of publication. The content may be modified, without notice, as deemed appropriate by the College.

Note: It is the student's responsibility to retain course outlines for possible future use to

support applications for transfer of credit to other educational institutions.