

SOUTHEAST MISSOURI STATE UNIVERSITY

COURSE SYLLABUS

Department of: Economics and Finance

Updated: Spring 2010
Course No: EC101

Title of Course: Economic Problems and Policies

I. Catalog Description and Credit Hours of Course

An introduction to the domestic and international economic problems facing the United States today and an analysis of the policies designed to alleviate these problems. 3 credit hours.

II. Prerequisite(s)

None

III. Purposes or Objectives of the Course

- A. Develop an understanding of basic economic principles and theories
- B. Understand how the American economy works in a domestic and international setting
- C. Use economic principles and theories to analyze current economic problems
- D. Analyze and evaluate current and proposed economic policies designed to alleviate these problems

IV. Expectations of Students

Attend class, take notes, participate in class discussions and satisfactorily complete class assignments and examinations. One hour of class will generally require two hours of outside preparation.

V. Course Outline

Because this is an issues oriented class, the material covered may vary from semester to semester, according to current events and the interests of students and instructors. As such, Part II B gives a menu of possible problems, issues and policies that may be discussed.

	Class Periods
Part I. An Introduction to the Economic Way of Thinking	3
A. Scarcity: The Fundamental Economic Problem	
B. The Concept of Opportunity Cost	
C. Factors of production	
D. The Three Economic Questions	
E. Types of Economic Systems	

- F. Goals of the American economy
- G. Microeconomics v. Macroeconomics
- H. Positive Economics v. Normative Economics

Part II: Microeconomic Concepts, Issues and Policies

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- A. Microeconomic Concepts
 - 1. Price determination in a competitive market: supply and demand analysis
 - 2. Advantages of a competitive market
 - 3. Limitations of a competitive market
 - 4. Price determination in a less than competitive market
 - 5. The effect of government action on market determined prices

The following constitutes a list of possible topics from which the instructor may choose, according to current events, student interest and instructor expertise. This is not intended to be an exhaustive list of possible topics.

- B. Microeconomic Problems and Policies
 - 1. The American Educational System
 - 2. The Health Care System
 - 3. Natural Resources and Energy
 - 4. Poverty
 - 5. Discrimination
 - 6. The Economics of Big Business and Monopoly Power
 - 7. Labor Unions
 - 8. Comparable Worth
 - 9. Pollution
 - 10. The Economics of Crime and its Prevention
 - 11. Analysis of a specific industry or market

Part III: Macroeconomic Concept, Problems and Policies

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- A. Concepts
 - 1. Circular Flow Diagram
 - 2. Gross National Product

3. Causes and Types of Unemployment
4. Causes and Types of Inflation
5. Functions and Role of Money
6. Commercial Banks and Money Creation

The following constitutes a list of possible topics from which the instructor may choose, according to current events, student interest and instructor expertise. This is not intended to be an exhaustive list of possible topics.

- B. Macroeconomic Problems and Policies
 1. Proposed Policies to Reduce Unemployment
 2. Proposed Policies to Reduce Inflation
 3. Trade-offs Between Unemployment and Inflation
 4. The Federal Government Budget
 5. Government Debt
 6. Tax Issues
 7. The Federal Reserve System

Part IV: International Economic Concepts, Problems and Policies

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- A. International Economic Concepts
 1. Comparative Advantage
 2. Balance of Payments Accounts
 3. Exchange Rates

The following constitutes a list of possible topics from which the instructor may choose, according to current events, student interest and instructor expertise. This is not intended to be an exhaustive list of possible topics.

- B. International Economic Problems and Policies
 1. Protectionism versus Free Trade
 2. The Third World Debt Problem
 3. The World Bank
 4. The International Monetary Fund

5. World Hunger
6. International Economic Integration
7. The New International Economic Order
- VI. Textbook(s) and/or Other Required Materials or Equipment
Economics The Basics, Mandel, Michael, McGraw-Hill, 2009
- VII. Basis of Student Evaluation

Writing skills will be assessed by performance on examinations and other written assignments. Students may also be evaluated on their oral skills in class discussions and debates.

VIII. Justification for Inclusion in University Studies Program

Objective 1: Demonstrate the ability to locate and gather information

Emphasis: Significant

Content: Students will be required to investigate various sources of economic data as well as periodicals, bibliographies and references containing pertinent economic information.

Teaching Strategies: At the beginning of the semester, the teacher will distribute a list of data sources and other reference material available in Kent Library. The general content of each reference will be noted as will library call numbers. Some of the information listed will be:

1. Economic Report of the President
2. Survey of Current Business
3. Federal Reserve Bulletin
4. Wall Street Journal
5. World Development Report
6. Social Science Index
7. Business Periodicals Index
8. Journal of Economic Literature
9. Readers Guide to Periodical Literature
10. Public Affairs Information Service

The teacher may also point out the differences between statistics gathered from different sources.

Student Assignments: Several assignments will be required of the students throughout the semester. These assignments will include locating statistics (e.g., unemployment rates, inflation rates, interest rates, international trade figures, GNP figures) and collecting and analyzing articles and information on a particular economic issue (e.g., pollution, health care, tax issues, government deficit). All of these assignments will be

compiled in a notebook with an appropriate listing of sources and references.

Evaluation of Student Performance: The students will receive a grade based on the quality of their notebook and this grade will count significantly toward the total grade for the course.

Objective 2: Demonstrate capabilities for critical thinking, reasoning and analyzing

Emphasis: Significant

Content: As John Maynard Keynes, a famous economist, so aptly stated, economics is a way of thinking. It teaches students how to approach a problem in a logical, rational way. Students will be required to analyze current economic problems and evaluate existing and proposed policies aimed at alleviating these problems. This is the essence of critical thinking, according to Vincent Ruggiero: "Critical thinking is the evaluation or judgement of a solution to a proposed problem or issue."

Teaching Strategies: Because of the nature of economics, critical thinking skills may be taught explicitly using course material. The teacher will identify the problem and then involve the class in a step-by-step analysis via question/answer and class discussions. Games, simulations and role playing may also be useful in achieving this objective.

Student Assignments: Students will be required to practice the critical thinking skills learned in the classroom by analyzing and evaluating economic concepts, problems and policies contained in articles and essays.

Evaluation of Student Performance: Students will be graded on the assignments mentioned above. The major emphasis will be on improvement of the student's critical thinking skills.

Objective 3: Demonstrate effective communication skills

Emphasis: Considerable

Content: Students will be required to demonstrate oral and written communication skills via discussions, debates, role playing, article analyses and examinations.

Teaching Strategies: The teacher will clearly state ground rules and expectations concerning oral and written work. Feedback on debates and written assignments will be given to students in writing by the instructor.

Student Assignments: Students will be required to participate in class discussions and may be required to participate in structured debates. Students will complete all written assignments and examinations.

Evaluation of Student Performance: The student's oral communication skills will be especially important in determining grades on debates. Article analyses and examinations will be graded based on communication skills.

Objective 4: Demonstrate an understanding of human experiences and the ability to relate them to the present

Emphasis: Significant

Content: An analysis of current economic problems and policies will include an examination of past problems and policies. For example, it is difficult to discuss the federal budget without talking about the historical factors which resulted in the rise of the public sector. A discussion of money leads to a discussion of the creation and role of the Federal Reserve System. A lecture on business cycles and unemployment includes an analysis of the Great Depression. The problem of pollution dates back to the Industrial

Revolution. A discussion of big business and antitrust policy leads to an analysis of business conditions in the early Twentieth Century.

Teaching Strategies: The primary teaching strategies will be lecture, question/answer and discussion. The instructor may introduce the various issues and bring out the historical connections by asking questions and initiating discussion. There are a number of films that may be used in this area, and games, simulations and role playing may also be useful.

Student Assignments: Complete reading assignments and be prepared for questions and discussion. Some historical facts and analysis may be useful to students in preparing for debates.

Evaluation of Student Performance: Primary method will be answers on examination questions.

Objective 5: Develop an understanding of various cultures and their interrelationship

Emphasis: Considerable

Content: This topic will be introduced in the first part of the course when different types of economic systems are discussed. It will also receive considerable emphasis in Part IV of the course outline (International Economic Problems). For example, the concept of comparative advantage illustrates how nations can gain by increasing interaction and interdependence among them. An analysis of U.S. trade statistics will point out how our economy is tied to others. The discussion of the Third World debt problem will allow students to understand the major differences between the U.S. and developing countries and appreciate the important role these countries play in the international economy.

Teaching Strategies: The primary methods may be lectures, question/answer and discussion based on reading assignments. There are also a number of appropriate films in this area, and role playing may also be useful in helping students understand and appreciate different cultures.

Student Assignments: Reading assigned material, asking and answering questions posed by the instructor, and participating in class discussions. Some students may wish to select a topic in the international area for their notebook.

Evaluation of Student Performance: Students will be tested on material related to this objective. Their participation in class discussions will also be evaluated.

Objective 6: Demonstrate the ability to integrate the breadth and diversity of knowledge and experience

Emphasis: Considerable

Content: Economic decisions are made within the context of social and political systems. Virtually every economic policy decision is affected by political and social factors. For example, a discussion of budget cuts requires an understanding as to why members of Congress feel obligated to protect certain programs. An investigation of the welfare system necessitates a comprehension of the societal pressure for some degree of income equality.

Teaching Strategies: The general economic problem or issue (e.g., budget cuts, welfare, pollution) and policies may be introduced by lecture. An investigation of the impact of politics and society on the economy may be introduced by questions posed by the instructor. For example, after the topic of price floors is introduced, the instructor might ask: "Why have farmers been the beneficiaries of so many price support programs in the U.S.?" Role playing may also be a useful technique in achieving this objective.

Student Assignments: Complete reading assignments can be prepared for questions and discussions. The students may also be asked to write a short in-class report on the political and/or social factors affecting a

current economic policy decision.

Evaluation of Student Performance: Students will be tested on material related to this objective. Their participation in class discussions and their performance on written assignments will also be evaluated.

Objective 7: Demonstrate the ability to make informed, intelligent value decisions

Emphasis: If it is assumed that valuing is used in all personal and social activities in which choices are made, then valuing is a very important component of economics. The discipline of economics has been defined as the study of how individuals and society choose to allocate scarce resources in the face of unlimited wants. After studying economics, students will understand that values underly all of their personal, as well as society's, economic decisions. For example, values become explicit when the federal government budget (and budget cuts) are discussed. The same is usually true whenever poverty is discussed. Analyzing economic problems and policies will force students to become aware of their own values, the basis of their values, and how their values differ from those of others. Recognizing that there may be no right or wrong solution to an economic problem increases the student's awareness of the importance of values.

Teaching Strategies: The instructor may read part of an economic commentary from a popular periodical or newspaper and initiate a discussion of the values (explicit and/or implicit) of the author. Discussion of values may also be initiated after particular topics are introduced in lectures. Another interesting technique is to give the students a "test" on various economic issues which involve valuing. Then, the instructor presents data and facts and attempts to determine if these facts have any effect on the values of students. This leads to a discussion of the importance of values based on correct information. It can also lead to a discussion of different sources of information, why information differs and how to select reliable sources of information.

Student Assignments: Debates will be an important way for students to formalize and present their own values as well as be exposed to the contradictory values of others. This will also force the students to support their value decisions by facts and research whenever possible.

Evaluation of Student Performance: The student's communication skills, as well as the strength of his/her argument supported by facts and research, will be evaluated and this will contribute significantly to the student's grade for the course.

Objective 8: Develop the ability to make informed, sensitive, aesthetic responses

Emphasis: Some

Content: The student will appreciate the usefulness of economic models in analyzing economic problems and policies. The student will learn how to identify a "beautiful" model by recognizing its internal consistency as well as its ability to accurately represent the real world.

Teaching Strategies: Lecture and question/answer sessions will be the most commonly used strategies since the concept of models will be relatively new to most students. However, it is important for the teacher to relate economic models to other models that the student has encountered (e.g., model trains, model cars). It is also important for the instructor to outline how models can become more complex as the user develops skills and knowledge.

Objective 9: Demonstrate the ability to function responsibly in one's natural, social and political environment

Emphasis: Significant

Content: Economic problems and policies have consistently dominated the news for the last decade and will likely continue to do so in the foreseeable future. Familiarity with economic issues is necessary for an

individual to be a responsible citizen and voter. Students need to be able to solve their own everyday economic problems and be able to discuss issues of nationwide concern in a rational manner using economic concepts and a knowledge of economic systems.

Teaching Strategies: Introduction of new economic concepts will be accomplished primarily through lectures. The students will then be expected to answer questions and participate in class discussions in order to utilize the concepts they have learned.

Student Assignments: Read assigned material, participate in class discussions, ask and answer questions. Debates will also be a way in which students are introduced to issue-oriented discussion.

Evaluation of Student Performance: Examinations will be administered as an evaluation of a student's knowledge of economic concepts. Their performance in debates and class discussions will also be evaluated.