

# Fundamentals of Microeconomics

## EconS 102

Please see below for a brief overview of EconS 102. Instructors will provide a full Syllabus at the beginning of the course.

### *Course Overview:*

Macroeconomics is the study of the overall economic activity that takes place in a society. Unlike microeconomics, which focuses on the behavior of individual units like people and firms, macroeconomics looks at large sectors of the economy: government, households, industries, and international trade. Macroeconomics aggregates individual units into large groups, so we consider how all the households together might react to higher prices, how a change in interest rates affects the investment decisions of the business sector as a group, or how exchange rates impact imports and exports. By looking at the large sectors we see the structure of the economy and the relationships between sectors. We look at measures of the economy as a whole—Gross Domestic Product (GDP), inflation, unemployment, and trade balances—things that tell us about the overall level of economic activity, how the economy is doing and what causes business cycles. Most interesting of all, we can judge how government policy can hurt or help the economy. Will tax cuts really make us better off if we cut government spending to fund them? Is a low interest rate policy from the Federal Reserve always in the best interest of economic growth? Do free trade acts really cost the US jobs? What was all that fuss about the debt ceiling last month? What is a “gold standard” and should we return to it? Macroeconomic analysis provides some tools to analyze these questions.

### *Student Learning Outcomes:*

1. Students will learn the basic terminology of macroeconomics.
2. Students will be able to apply the concepts of choice and opportunity cost to basic situations involving scarcity and clearly identify feasible choices.
3. Students will understand the circular flow of the economy.
4. Students will understand how the level of economic activity in an economy is determined.
5. Students will understand the gains from international trade.
6. Students will be familiar with the basic models of a market-based economy.
7. Students will understand how a market based economy achieves short-run and long-run levels of output.
8. Students will be able to carefully define unemployment and inflation, and how they affect the level of economic activity.
9. Students will be able to critically appraise how government policies, monetary policies and policies on spending and taxes, in particular, affect GDP, unemployment, inflation and growth.
10. Students will understand how the US economy interacts with the world economy.
11. Students will be able to analyze the foreign exchange market and balance of payments, and understand the relationship to international trade and capital flows.

### *Textbook :*

Required