

## Proposal for Explorations: Social and Behavioral Sciences

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1. **What course does the department plan to offer in Explorations? Which subcategory are you proposing for this course? (Arts and Humanities; Social and Behavioral Sciences; Natural and Physical Sciences)**

ECON 203: Principles of Macroeconomics

Subcategory: Social and Behavioral Sciences

2. **How will this course meet the specific learning objectives of the appropriate sub-category? Please address all of the learning outcomes listed for the appropriate subcategory.**

*Principles of Macroeconomics* is a natural candidate for a “Social and Behavioral Sciences” course in the Explorations category of the Colonnade program. Principles of Macroeconomics offers an introduction to economic concepts, ideas and methods of analysis while focusing attention on the economy as a whole. The course is designed to provide an understanding of how local economies aggregate into regional, national and global economies, how economic conditions in one part of the country or the world can affect economies across the country or the globe, how national-level policies affect individuals and communities on the local level, and how these policies can ripple through the rest of the world. More specifically, the course will meet learning objectives of a Connections course as follows:

*Learning Objective 1: Demonstrate knowledge of at least one area of the social and behavioral sciences.*

Economics is a social science, so this goal is met by the very nature of the subject.

The course starts by covering fundamentals such as measuring output, unemployment, inflation interest rates, trade flows and national debt. These issues are crucial for comparing well-being within the regions of a country and across countries, and to understanding the nature and impact of economic cycles. The course also demonstrates how laws of supply and demand can be used to study such large-scale markets as a country’s labor market by examining determinants of labor supply and demand for labor. The same model can even be used to study the entire economy by examining the interaction between aggregate demand for all goods and services and their aggregate supply.

*Learning Objective 2: Apply knowledge, theories, and research methods, including ethical conduct, to analyze problems pertinent to at least one area of the social and behavioral sciences.*

Students in ECON 203 will meet this objective by learning the following key economic concepts and methods:

- Opportunity cost – what has to be sacrificed to obtain something else.
- Cost/Benefit analysis – careful accounting of all costs of actions, including the cost to the society as a whole.

- Measures of economic well-being – how Gross Domestic Product measures output of an economy, how the inflation rate captures change in prices, how the unemployment rate measures underutilization of resources.
- Ethical issues are intertwined with these economic concepts: The distinction between private costs of actions and their social costs helps students understand how individual choices can impact other members of society. Understanding the role of incentives helps students recognize how well intentioned economic policies can lead to undesirable outcomes.

*Learning Objective 3: Understand and demonstrate how at least one area of the social and behavioral sciences conceptualizes diversity and the ways it shapes human experience.*

The central issue in this course is the effect of economic policies. These effects can be fully understood only by placing these policies within the context of the problems these policies are trying to address. Therefore, the course requires integration of other subjects, such as geography and history, into economics to be able to understand fully the issues at hand. When studying economic development, for example, students will gain appreciation of differences in well-being across countries, which should lead them inevitably to a question: “Why did some countries become so rich while others remained so poor?” The course should also help students understand the complexity of what an “economic policy” means. While in developed countries it is a matter of fine-tuning the economy and avoiding recessions, in developing countries it is a matter of survival.

*Learning Objective 4: Integrate knowledge of at least one area of the social and behavioral sciences into issues of personal or public importance.*

Students in ECON 203 learn the economic way of thinking. By understanding opportunity costs of their actions and by being able to carefully enumerate personal costs and benefits of their actions, they learn to make informed decisions. By understanding costs and benefits imposed by personal actions on the society, students can become better members of their communities. By learning about the role and the limitations of government, students can become better citizens.

*Learning Objective 5: Communicate effectively using the language and terminology germane to at least one area of the social and behavioral sciences.*

ECON 203 will help students analyze complex problems using the tools learned during the course. The class material is presented using real world examples, so the students will learn to identify key economic problems in their environment and apply economic analysis to their daily lives.

**3. Syllabus statement of learning outcomes for course. NOTE: In multi-section courses, the same statement of learning outcomes must appear on every section’s syllabus.**

The statements shown below or similar will be included in Econ 203 syllabi:

Course Description: Economics is a social science with a focus on economic activity at the local, regional, national, and global levels with attention given to the impact of market processes and policies on individuals and societies. The course emphasizes the application of economic analysis in critically evaluating contemporary issues. Upon completion of this course, students should be able

to apply economic concepts to contemporary issues and understand the impact economic decisions and actions have on individuals and society.

Learning Objectives: This course fulfills the Social and Behavioral Science requirement in the Explorations category of the Colonnade Program. To meet the requirements of a course in this category, the course fulfills the following learning objectives:

- 1) Demonstrate knowledge of at least one area of the social and behavioral sciences.
- 2) Apply knowledge, theories, and research methods, including ethical conduct, to analyze problems pertinent to at least one area of the social and behavioral sciences.
- 3) Understand and demonstrate how at least one area of the social and behavioral sciences conceptualizes diversity and the ways it shapes human experience.
- 4) Integrate knowledge of at least one area of the social and behavioral sciences into issues of personal or public importance.
- 5) Communicate effectively using the language and terminology germane to at least one area of the social and behavioral sciences.

4. *Give a brief description of how the department will assess the course beyond student grades for these learning objectives.*

The Economics Department already has a robust assessment program in place for its ECON 202 (Microeconomics) and ECON 203 (Macroeconomics) courses for the purpose of AACSB (Association to Advance Collegiate Schools of Business) accreditation. The department will use the same assessment mechanism to measure effectiveness of ECON 203 course.

For ECON 203, assessment will take place either throughout a semester or at the end of a semester, depending on individual instructor. Each student taking ECON 203 will have to answer a set of at least 10 questions to help the department assess whether the course is meeting the learning objectives of the Social and Behavioral course in the Explorations category. The questions will be chosen by the department and included in regularly scheduled exams. Each question will be assigned to a specific learning objective of the Social and Behavioral course. Numbers of correct answers for each question will be compiled by each instructor and reported to the department. The goal will be to achieve a combined 70% success rate on all 10 questions. Performance on individual questions will be analyzed as well to assure that all learning objectives of the Colonnade program. are being adequately met.

5. *How many sections of this course will your department offer each semester?*  
In the fall of 2013, the Economics Department offered 6 sections with a total enrollment of about 200 students, as well as an Honors section with 25 students. The department plans to continue offering the same number of sections and can facilitate additional sections if necessary.
6. *Please attach sample syllabus for the course.*  
Attached below.

## **Principles of Macroeconomics Economics 203**

**Required Texts:** *Macroeconomics: Truths and Myths* by Brian and Claudia Strow and the Wall Street Journal

### **Course Description**

Principles of Macroeconomics satisfies the requirements of a Connections course (Local to Global) of the Colonnade Program. This course meets the following learning objectives:

*Learning Objective 1: Analyze issues on local and global scales.*

Students will learn commonly used measures of economic activity such as gross domestic product, unemployment rate, inflation, exchange rate etc. These measures will be used to compare economic well-being within regions of a country and across countries.

*Learning Objective 2: Examine the local and global interrelationships of one or more issues.*

Students will learn about international trade, how comparative advantage determines what goods are produced within and traded across countries. Students will learn how local economic conditions can affect an entire economy and how the state of the entire economy affects individuals on a local level.

*Learning Objective 3: Evaluate the consequences of decision-making on local and global scales.*

Students will learn about the role of the government in an economy. Students will also learn about the role of the Federal Reserve in the U.S. economy, how it's action impact this economy as well as economies of other countries. Students will learn about the tools of monetary policy and limits of their effectiveness in achieving the goals of the Fed. Students will also learn about how fiscal policy can be used to affect output in a country. The problems of fiscal deficits and national debt, sustainability of Social Security and will also be examined in the course.

Students will understand: Tradeoffs, opportunity cost, marginal analysis, role of incentives, costs and benefits of international trade, costs and benefits of markets, supply/demand equilibrium, fiscal policy, monetary policy, inflation unemployment, national income accounting, income/expenditure model, and economic growth. There will be a few definitions and concepts to memorize, but the vast majority of the concepts covered in the course will require you to think through relationships and to be able to analyze problems, recommend solutions, and explain exactly how they might work.

You will be asked to do simple algebra and use graphing techniques to summarize major concepts and relationships. However, it is also important for you to be able to explain economic analyses carefully and in a manner understandable to someone who has not had an economics course. Economics is not a discipline that can be learned the night before an exam, so it is crucial that you keep up with the reading and your class notes.

In compliance with university policy, students with disabilities who require accommodations (academic adjustments and/or auxiliary aids or services) for this course just contact the Office for Student Disability Services in **DUC A-200** of the Student Success Center in Downing University Center. The OFSDS telephone number is (270)745-5004 V/TDD. Please **DO NOT**

request accommodations directly from the professor or instructor without a letter of accommodation from the Office for Student Disability Services.

## Grading

There will be four quizzes (20%), three exam (45%) and a cumulative final exam (35%). Questions will cover the text, lecture, material to be designated from The Wall Street Journal, and other links in blackboard. There is no such thing as a make-up quiz or exam, so don't miss class on quiz days. Quizzes will always be administered at the beginning of the scheduled class.

Date	Topic	Chapter
Aug 26	Opportunity Cost; Or, Why believing in free lunches is a bad as believing in the Great Pumpkin Preface,	1,2
Aug 28	Gross Domestic Product; Or, Stuff is cool. More stuff is cooler. Chile is only cold in the mountains.	3
Sep 4	Natural Resources ,Labor, and Capital; Or, Even the vertically challenged can pick low hanging fruit Quiz 1	4
Sep 9	Technology, Entrepreneurship, and Convergence; Or, Santa better do more with less because the population keeps growing and they need toys	5
Sep 11	Comparative Advantage; Or No matter how much you suck at doing stuff, you'll always have a job	6
Sep 16	Barriers to Trade; Or, Just because everyone else is jumping off a bridge, it doesn't mean you have to	7
Sep 18	Exam 1 (Chapters 1-7)	Exam 1
Sep 23	Unemployment; Or, Vacations are more fun if you have a job to pay for them	8
Sep 25	Inflation; Or, If I had a million Zimbabwean dollars I wouldn't be rich	9
Sep 30	Circular Flow Model; Or, Around and around we grow, where we stop nobody but Hugo knows	10
Oct 2	Business Cycles; Or, Does riding cycles strengthen your quads? Quiz 2	11
Oct 7	AD/AS; Or, Everyone likes looking at models	12,13
Oct 9	Says Law; Or Weebles wobble but they don't fall down	14
Oct 14	Keynesian Fiscal Policy; Or, Your political ideology is getting fat, so it's time to exercise it	15
Oct 16	Exam 2 (Chapters 8-15)	Exam 2
Oct 21	Government Spending; Or, Who wants fruity pebbles with a side of sugar?	16
Oct 23	Taxes; Or a tax by any other name still takes money out of my pocket	17
Oct 28	National Debt; Or, I'll gladly pay tomorrow for a hamburger today	18
Oct 30	Problems with Fiscal Policy; Or, Fool me once shame on you, fool me twice - I assume you can't Quiz 3	19
Nov 4	Money and Banking; Or, fiat is more than a car made in Italy	20
Nov 6	The Federal Reserve; Or, The world according to Ben	21
Nov 11	Keynesian Monetary Policy; Or, Helicopters and cash dumps	22,23
Nov 13	Exam 3 (Chapters 16-23)	Exam 3

Nov 18	Floating Exchange Rates; Or, Even dollar coins float in theory if not in practice	24
Nov 20	Public Policy in an Open Economy; Or, Think globally, act locally	25
Nov 25	Fiscal vs. Monetary Policy: Or, Do you prefer over the counter or prescription stimulants? Quiz 4	26
Dec 2	The State of the World Economy; Or, Has Venezuela imploded yet?	
Dec 4	Macroeconomic Jeopardy	
Dec 13	Final Exam Friday (10:30-12:30)	