

## 17.10: Course Contents at a Glance

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The following list is a summary of the topics covered in this macroeconomics course.

### Module 1: Economic Thinking

- Understanding Economics and Scarcity
- The Concept of Opportunity Cost
- Labor, Markets, and Trade
- Microeconomics and Macroeconomics
- Economic Models
- Purpose of Functions
- Solving Simple Equations
- Creating and Interpreting Graphs
- Interpreting Slope
- Types of Graphs

### Module 2: Choice in a World of Scarcity

- Budget Constraints and Choices
- Calculating Opportunity Cost
- The Production Possibilities Frontier
- Productive Efficiency and Allocative Efficiency
- Rationality and Self-Interest
- Marginal Analysis
- Positive and Normative Statements

### Module 3: Supply and Demand

- Economic Systems
- What Is Demand?
- Factors Affecting Demand
- What is Supply?
- Factors Affecting Supply
- Equilibrium, Surplus, and Shortage
- Changes in Equilibrium
- Finding Equilibrium
- Changes in Supply and Demand

### Module 4: Applications of Supply and Demand

- Price Ceilings
- Price Floors
- A Closer Look at Price Controls
- Trade and Efficiency
- Consumer & Producer Surplus
- Inefficiency of Price Floors and Price Ceilings
- Labor and Financial Markets

## Module 5: Elasticity

- Elasticity of Demand
- Examples of Elastic and Inelastic Demand
- Calculating Elasticity and Percentage Changes
- Calculating Price Elasticities Using the Midpoint Formula
- Categories of Elasticity
- Price Elasticity of Supply
- Income Elasticity, Cross-Price Elasticity & Other Types of Elasticities
- Elasticity and Total Revenue
- Elasticity, Costs, and Customers
- Tax Incidence

## Module 6: Macroeconomic Measures: GDP and Economic Growth

- The Macroeconomic Perspective
- What is Gross Domestic Product?
- Calculating GDP
- Alternative Ways to Measure the Economy
- The Difference Between Nominal and Real Measurements
- Comparing Nominal and Real GDP
- Converting Nominal to Real GDP
- Business Cycles
- GDP and Standard of Living
- Labor Productivity and Economic Growth
- Measuring Productivity and Growth Rates
- The Power of Sustained Economic Growth
- Relatively Recent Economic Growth
- A Healthy Climate for Economic Growth

## Module 7: Macroeconomic Measures: Unemployment and Inflation

- Who Counts in Unemployment?
- Calculating the Unemployment Rate
- Patterns of Unemployment
- Cyclical Unemployment
- Frictional and Structural Unemployment
- The Natural Rate of Unemployment
- Inflation
- Calculating Inflation with Index Numbers
- The Consumer Price Index
- Shortcomings of the Consumer Price Index as a Measure of the Cost of Living
- The GDP Deflator and Other Major Price Indices
- Problems with Inflation
- Benefits of Low Inflation

## Module 8: The Aggregate Demand-Aggregate Supply Model

- The Aggregate Demand-Aggregate Supply Model
- Building a Model of Aggregate Supply and Aggregate Demand
- Interpreting the AD-AS Model
- Shifts in Aggregate Demand
- Shifts in Aggregate Supply
- Business Cycles and Growth in the AD–AS Model

## Module 9: Keynesian and Neoclassical Economics

- Aggregate Demand in Keynesian Analysis
- The Core of Keynesian Analysis
- The Expenditure Multiplier Effect
- Keynesian Economic Policy
- The Neoclassical Perspective
- The Neoclassical Perspective and Potential GDP
- Flexible Prices and Graphing in the Neoclassical Model
- Speed of Macroeconomic Adjustment
- Policy Implications of the Neoclassical Perspective
- Say's Law versus Keynes' Law
- Neoclassical and Keynesian Perspectives in the AD-AS Model
- Balancing Keynesian and Neoclassical Models

## Module 10: Keynesian Economics and the Income-Expenditure Model

- The Key Role of Aggregate Expenditure
- Aggregate Expenditure: Consumption
- Aggregate Expenditure: Investment, Government Spending, and Net Exports
- Equilibrium in the Income-Expenditure Model
- Finding Equilibrium Using Algebra
- Recessionary and Inflationary Gaps in the Income-Expenditure Model
- Real Aggregate Supply in the Income-Expenditure Model
- The Spending Multiplier in the Income-Expenditure Model
- The Spending Multiplier and Changes in Government Spending

## Module 11: Fiscal Policy

- Fiscal Policy and the Federal Budget
- Government Spending
- State and Local Government Spending
- Taxation
- Federal Budgets and National Debt
- The Question of a Balanced Budget
- Automatic Stabilizers
- Expansionary and Contractionary Fiscal Policy
- Neoclassical Fiscal Policy and Supply-Side Economics
- Fiscal Policy, Investment, and Crowding Out

## Module 12: Money and Banking

- Defining Money by Its Functions
- Measuring Money: Currency, M1, and M2
- Credit
- Financial Markets and Assets
- Financial Markets, Supply and Demand, and Interest
- The Commercial Banking System
- Banking Assets and Liabilities
- How Banks Create Money

## Module 13: Monetary Policy

- Banks, Loan Finance, and the Payments System
- The Federal Reserve System and Central Banks
- Bank Regulation
- Monetary Policy

- Monetary Policy and Open Market Operations
- Monetary Policy and Interest Rates
- Monetary Policy and Aggregate Demand
- Federal Reserve Actions and Quantitative Easing

### Module 14: Policy Applications

- Viewpoints on Government Policy
- The Phillips Curve
- Policy Implications: No Phillips Curve Tradeoff in the Long Run
- Rational Expectations
- Ricardian Equivalence
- Practical Problems with Discretionary Fiscal & Monetary Policy
- Policy Implications: Dampening Business Cycles vs. Laissez-Faire
- Policy Implications: Supply Shocks and Economic Growth

### Module 15: Globalization and Trade

- Absolute and Comparative Advantage
- Comparative Advantage and the Gains from Trade
- Intra-Industry Trade
- Demand and Supply Analysis of International Trade
- Protectionism
- The Tradeoffs of International Trade
- The Role of the GATT in Reducing Barriers to Trade
- Trade Policy: Organizations and Agreements

### Module 16: Exchange Rates and International Finance

- The Foreign Exchange Market
- Strengthening and Weakening Currency
- Demand and Supply Shifts in Foreign Exchange Markets
- Macroeconomic Effects of Exchange Rates
- Exchange-Rate Policies

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