

17.11: Learning Outcomes



The content, assignments, and assessments for this course are aligned to the following learning outcomes. A full list of course learning outcomes can be viewed here: [Macroeconomics Course Learning Outcomes](#).

Module 1: Economic Thinking

- Explain what economics is and explain why it is important
- Use mathematics in common economic applications
- Use graphs in common economic applications

Module 2: Choice in a World of Scarcity

- Explain the cost of choices and trade-offs
- Illustrate society's trade-offs by using a production possibilities frontier, or curve
- Explain the assumption of rationality by individuals and firms

Module 3: Supply and Demand

- Describe and differentiate between major economic systems
- Explain the determinants of demand
- Explain the determinants of supply
- Explain and graphically illustrate market equilibrium, surplus and shortage

Module 4: Applications of Supply and Demand

- Analyze the economic effect of government setting price ceilings and floors
- Define, calculate, and illustrate consumer, producer, and total surplus
- Examine ways that supply and demand apply to labor and financial markets

Module 5: Elasticity

- Explain the concept of elasticity
- Explain the price elasticity of demand and price elasticity of supply, and compute both using the midpoint method
- Explain and calculate other elasticities using common economic variables
- Explain the relationship between a firm's price elasticity of demand and total revenue

Module 6: Macroeconomic Measures: GDP and Economic Growth

- Define macroeconomics and explain how economic indicators like GDP are used to assess the state of the economy
- Differentiate between and calculate nominal and real GDP
- Describe economic growth
- Understand that economic growth is a relatively recent phenomenon, and identify key institutional factors that contribute to economic growth

Module 7: Macroeconomic Measures: Unemployment and Inflation

- Describe and calculate unemployment
- Examine causes and types of unemployment, including cyclical, frictional, structural, and natural unemployment
- Define inflation and explain how the rate of inflation is calculated
- Identify the consequences of inflation

Module 8: The Aggregate Demand-Aggregate Supply Model

- Use the AD-AS model to explain the equilibrium levels of real GDP and price level
- Examine factors that shift aggregate supply and aggregate demand
- Illustrate economic growth, unemployment, and inflation using the AS/AD model

Module 9: Keynesian and Neoclassical Economics

- Describe the tenets of Keynesian Economics
- Explain policy implications of Keynesian economics
- Understand the tenets of Neoclassical Economics
- Describe how the neoclassical model responds to fluctuations in the economy and explain policy recommendations
- Compare and contrast the Keynesian and Neoclassical perspectives

Module 10: The Income-Expenditure Model

- Use the expenditure output model to explain periods of recession and expansion
- Explain and find macro equilibrium in the income-expenditure model
- Explain why the expenditure multiplier happens and how to calculate its size

Module 11: Fiscal Policy

- Identify the major spending categories and major revenue sources in the U.S. Federal budget
- Explain fiscal policies, including automatic, expansionary, and contractionary fiscal policies
- Compare neoclassical and Keynesian approaches to Fiscal Policy

Module 12: Money and Banking

- Define money, explain the functions of money, and define liquidity
- Describe the role financial markets play in an economy
- Explain what a bank does
- Describe how money is created by lending

Module 13: Monetary Policy

- Explain the structure, functions, and responsibilities of the Federal Reserve System
- Describe monetary policy and the Fed's three main policy tools
- Explain how monetary policy affects GDP and the interest rates

Module 14: Policy Applications

- Compare viewpoints on government spending and taxes between the Keynesian and Neoclassical perspectives
- Explain the reasoning behind the theory of the Phillips Curve and why it may not hold
- Describe the basic tenets of new classical economics, including Ricardian equivalence
- Identify appropriate macro policy options in response to the state of the economy

Module 15: Globalization and Trade

- Define and calculate comparative advantage, and understand how countries choose which goods and services to trade internationally
- Explain how barriers to trade (like tariffs, quotas and non-tariff barriers) affect businesses, consumers and workers in the economy
- Differentiate between alternative international trade regimes and how they impact global trade

Module 16: Exchange Rates and International Finance

- Define currency exchange rates and explain how they influence trade balances
- Analyze how supply and demand affects foreign currencies and exchange rates
- Explain how the balance of trade (surplus or deficit) affects the domestic economy

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