

Economics

Module 1: Demand and Supply Analysis: Introduction

- 1 Learning how to distinguish among types of markets.
- 2 Learning how to explain the principles of demand and supply.
- 3 Learning how to describe causes of shifts in and movements along demand and supply curves.
- 4 Learning how to describe the process of aggregating demand and supply curves.
- 5 Learning how to describe the concept of equilibrium (partial and general), and mechanisms by which markets achieve equilibrium.
- 6 Learning how to distinguish between stable and unstable equilibria, including price bubbles, and identifying instances of such equilibria.
- 7 Learning how to calculate and interpret individual and aggregate demand, and inverse demand and supply functions, and interpret individual and aggregate demand and supply curves.
- 8 Learning how to calculate and interpret the amount of excess demand or excess supply associated with a non-equilibrium price.
- 9 Learning how to describe types of auctions and calculate the winning price(s) of an auction.
- 10 Learning how to calculate and interpret consumer surplus, producer surplus, and total surplus.
- 11 Learning how to describe how government regulation and intervention affect demand and supply.
- 12 Learning how to forecast the effect of the introduction and the removal of a market interference (e.g., a price floor or ceiling) on price and quantity.
- 13 Learning how to calculate and interpret price, income, and cross-price elasticities of demand and describe factors that affect each measure.

Module 2: Demand and Supply Analysis: Consumer Demand

- 1 Learning how to describe consumer choice theory and utility theory.
- 2 Learning how to describe the use of indifference curves, opportunity sets, and budget constraints in decision making.
- 3 Learning how to calculate and interpret a budget constraint.
- 4 Learning how to determine a consumer's equilibrium bundle of goods based on utility analysis.
- 5 Learning how to compare substitution and income effects.
- 6 Learning how to distinguish between normal goods and inferior goods, and explain Giffen goods and Veblen goods in this context.

Module 3: Demand and Supply Analysis: The Firm

- 1 Learning how to calculate, interpret, and compare accounting profit, economic profit, normal profit, and economic rent.
- 2 Learning to calculate and interpret and compare total, average, and marginal revenue.
- 3 Learning to describe a firm's factors of production.
- 4 Learning to calculate and interpret total, average, marginal, fixed, and variable costs.
- 5 Learning how to determine and describe breakeven and shutdown points of production.
- 6 Learning how to describe approaches to determining the profit-maximizing level of output.
- 7 Learning how to describe how economies of scale and diseconomies of scale affect costs.
- 8 Learning how to distinguish between short-run and long-run profit maximization.

- 9 Learning how to distinguish among decreasing-cost, constant-cost, and increasing-cost industries and describe the long-run supply of each.
- 10 Learning how to calculate and interpret total, marginal, and average product of labor.
- 11 Learning how to describe the phenomenon of diminishing marginal returns and calculate and interpret the profit-maximizing utilization level of an input.
- 12 Learning how to determine the optimal combination of resources that maximize cost.

Module 4: The Firm and Market Structures

- 1 Learning how to describe characteristics of perfect competition, monopolistic competition, oligopoly, and pure monopoly.
- 2 Learning how to explain relationships between price, marginal revenue, marginal cost, economic profit, and elasticity of demand under each market structure.
- 3 Learning to describe a firm's supply function under each market structure.
- 4 Learning how to describe and determine the optimal price and output for firms under each market structure.
- 5 Learning how to explain factors affecting long-run equilibrium under each market structure.
- 6 Learning how to describe pricing strategy under each market structure.
- 7 Learning how to describe the use and limitations of concentration measures in identifying market structures.
- 8 Learning how to identify the type of market structure within which a firm operates.

Module 5: Aggregate Output, Prices, and Economic Growth

- 1 Learning how to calculate and explain gross domestic product (GDP) using expenditure and income approaches.
- 2 Learning how to compare the sum-of-value-added and value-of-final-output methods of calculating GDP.
- 3 Learning how to compare nominal and real GDP and calculate and interpret the GDP deflator.
- 4 Learning how to compare GDP, national income, personal income, and personal disposable income.
- 5 Learning how to explain the fundamental relationship among saving, investment, the fiscal balance, and the trade balance.
- 6 Learning how to explain the IS and LM curves and how they combine to generate the aggregate demand curve.
- 7 Learning how to explain the aggregate supply curve in the short run and long run.
- 8 Learning how to explain causes of movements along and shifts in aggregate demand and supply curves.
- 9 Learning how to describe how fluctuations in aggregate demand and aggregate supply cause short-run changes in the economy and business cycle.
- 10 Learning how to distinguish between the following types of macroeconomic equilibria: long-run full employment, short-run recessionary gap, short-run inflationary gap, and short-run stagflation.
- 11 Learning how to explain how a short-run macroeconomic equilibrium may occur at a level above or below full employment.
- 12 Learning how to analyze the effect of combined changes in aggregate supply and demand on the economy.

- 13 Learning how to describe sources, measurements, and sustainability of economic growth.
- 14 Learning how to describe the production function approach to analyzing the sources of economic growth.
- 15 Learning how to distinguish between input growth and growth of total factor productivity as components of economic growth.

Module 6: Understanding Business Cycles

- 1 Learning how to describe the business cycle and its phases.
- 2 Learning how to describe how resource use, housing sector activity, and external trade sector activity vary as an economy moves through the business cycle.
- 3 Learning how to describe theories of the business cycle.
- 4 Learning how to describe types of unemployment and measures of unemployment.
- 5 Learning how to explain inflation, hyperinflation, disinflation, and deflation.
- 6 Learning how to explain the construction of indices used to measure inflation.
- 7 Learning how to compare inflation measures, including their uses and limitations.
- 8 Learning how to distinguish between cost-push and demand-pull inflation.
- 9 Learning how to describe economic indicators, including their uses and limitations.

Module 7: Monetary and Fiscal Policy

- 1 Learning how to compare monetary and fiscal policy.
- 2 Learning how to describe functions and definitions of money.

- 3 Learning how to explain the money creation process.
- 4 Learning how to describe theories of the demand for and supply of money.
- 5 Learning how to describe the Fisher effect.
- 6 Learning how to describe roles and objectives of central banks.
- 7 Learning how to contrast the costs of expected and unexpected inflation.
- 8 Learning how to describe tools used to implement monetary policy.
- 9 Learning how to describe the monetary transmission mechanism.
- 10 Learning how to describe qualities of effective central banks.
- 11 Learning how to explain the relationship between monetary policy and economic growth, inflation, interest and exchange rates.
- 12 Learning how to contrast the use of inflation, interest rate, and exchange rate targeting by central banks.
- 13 Learning how to determine whether a monetary policy is expansionary or contractionary.
- 14 Learning how to describe limitations of monetary policy.
- 15 Learning how to describe roles and objectives of fiscal policy.
- 16 Learning how to describe tools of fiscal policy, including their advantages and disadvantages.
- 17 Learning how to describe the arguments about whether the size of a national debt relative to GDP matters.
- 18 Learning how to explain the implementation of fiscal policy and difficulties of implementation.
- 19 Learning how to determine whether a fiscal policy is expansionary or contractionary.

20 Learning how to explain the interaction of monetary and fiscal policy.

Module 8: International Trade and Capital Flows

- 1 Learning how to compare gross domestic product and gross national product.
- 2 Learning how to describe benefits and costs of international trade.
- 3 Learning how to distinguish between comparative advantage and absolute advantage.
- 4 Learning how to explain the Ricardian and Heckscher-Ohlin models of trade and the source(s) of comparative advantage in each model.
- 5 Learning how to compare types of trade and capital restrictions and their economic implications.
- 6 Learning how to explain motivations for and advantages of trading blocs, common markets, and economic unions.
- 7 Learning how to describe common objectives of capital restrictions imposed by governments.
- 8 Learning how to describe the balance of payments accounts including their components.
- 9 Learning how to explain how decisions by consumers, firms, and governments affect the balance of payments.
- 10 Learning how to describe functions and objectives of the international organizations that facilitate trade, including the World Bank, the International Monetary Fund, and the World Trade Organization.

Module 9: Currency Exchange Rates

- 1 Learning how to define an exchange rate, and distinguish between nominal and real exchange rates and spot and forward exchange rates.
- 2 Learning how to describe functions of and participants in the foreign exchange market.

- 3 Learning how to calculate and interpret the percentage change in currency relative to another currency.
- 4 Learning how to calculate and interpret currency cross-rates.
- 5 Learning how to convert forward quotations expressed on a points basis or in percentage terms into an outright forward quotation.
- 6 Learning how to explain the arbitrage relationship between spot rates, forward rates, and interest rates.
- 7 Learning how to calculate and interpret a forward discount or premium.
- 8 Learning how to calculate and interpret the forward rate consistent with the spot rate and the interest rate in each currency.
- 9 Learning how to describe exchange rate regimes.
- 10 Learning how to explain the effects of exchange rates on countries' international trade and capital flows.