

# Introduction to Economics and World Issues

## **Textbooks**

### **1<sup>st</sup> Semester**

Economics: The Basics, 3<sup>rd</sup> Edition, Tony Cleaver, Routledge 3<sup>rd</sup> Edition 2015

### **2<sup>nd</sup> Semester**

The World Today: Current Problems and Their Origins, 9<sup>th</sup> Edition, Henry Brun, AMSCO School Publications: 2012

### **Both Semesters**

Why Nations Fail: The Origins of Power, Prosperity, and Power

Daron Acemoglu and James A. Robinson

Crown Business: New York, 2012

**Prerequisites:** Must be a Form IV (Senior) student

### **Course Description:**

Students will learn the theoretical foundation of economics, the philosophical foundation of economics, measurements of economic performance, the concepts of Monetary and Fiscal Policy, Globalization, Trade, Finance, Macroeconomics, Microeconomics, National Interests, Tools of Foreign Policy, Making of U.S. Foreign Policy, The Evolution of Modern U.S. Foreign Policy (Cold War to the Present), International Institutions, and Modern Day International Relations.

### **Course Goals:**

Students will be able to analyze, interpret, and apply the introductory principles of Economics and International Relations.

# Course Outline:

## 1<sup>st</sup> Semester

### 1<sup>st</sup> Quarter:

#### Part 1- Introduction

Economic Philosophy- What is Economics?

Basic and Standard Terminology

Economic Models: Trade-Offs and Trade

Supply and Demand

Markets

Elasticity and Taxation

Inputs and Costs

**Test/Quiz/Writing**

**Textbook Reading: Nations, Chapter 1**

#### Part 2- Economic Systems

Capitalism: 1776-2014

A "Brief" History of Capitalism

Economic Actors

Case Study: 2007-2008 Financial Crises

**Test/Quiz/Writing**

**Textbook Reading: Cleaver, Chapters 1 and 2, Nations, Chapter 2**

### **Part 3 – Output, Income, Happiness and the Role of The State**

Output

Income

Happiness

The State and Economics

The Morality of State Intervention

Market Failures

Government Failure

Market and Politics

What Governments Do

Economics is a Political Argument

**Test/Quiz/Writing**

**Textbook Reading: Nations, Chapter 3**

### **Part 4 – Supply**

Private Property

Capital, Investment, and Growth

Production Theory

Competition, Prices, and Profits

Monopoly and Oligopoly

**Test/Quiz/Writing**

**Textbook Reading: Nations, Chapter 4**

## 2<sup>nd</sup> Quarter

### **Part 5- Inflation and Unemployment**

The Fallacy of Composition

The Circular Flow Model

Keynes and Hayek: The Debate

Friedman

Supply-Side Economics

Rational Expectations

**Test/Quiz/Writing**

**Textbook Reading: Cleaver, Chapter 5, Nations, Chapter 5**

### **Part 6- Money, Banks, Bubbles, and Crisis**

The Nature of Money

Commercial Banking

The Creation of Money

Central Banks and the Money Supply

The Demand for Money

Monetary Policy with Global Markets

Exchange Rates

The Euro

International Money Crises

**Test/Quiz/Writing**

**Textbook Reading: Cleaver, Chapter 6, Nations, Chapter 6**

**Part 7 – National Income, World Trade, and Multi-National Enterprise**

The Circular Flow of Incomes

The Balance of Payments

Comparative Advantage and the Gains from Trade

Arguments for Trade Protection

Infant Industries

Multi-National Companies

**Test/Quiz/Writing**

**Textbook Reading: Cleaver, Chapter 7, Nations, Chapter 7**

**Part 8- Poverty and The Environment**

Growth Theory

Social Capital

Sustainable Development

**Textbook Reading: Cleaver, Chapter 8**

**Semester Final Examination**

## *2<sup>nd</sup> Semester*

### **3<sup>rd</sup> Quarter**

#### **Part 1- International Relations**

Why is the study of International Situation important in the 21<sup>st</sup> century?

National Interests- What are they and why are they important?

Tools of US Foreign Policy:

Diplomacy: Department of State

Military: Department of Defense

Intelligence: The Director of National Intelligence, The national Security Agency, The Central Intelligence Agency (In all there are over 18 US agencies that collect intelligence)

Trade: the US Trade Representative

US Ambassador to the United Nations

#### **Test**

**Textbook Reading: Brun, Chapters 1 and 2, Nations, Chapters 8 and 9**

#### **Part 2 – Current United States Foreign Policy**

Middle East

Europe and the European Union

Russia

China and East Asia

Terrorism

Latin America

#### **Test**

**Textbook Reading: Brun, Chapters 3, 4, 5, and 6, Nations, Chapters 10 and 11**

**4<sup>th</sup> Quarter**

**Part 3 – The Historical International Situation**

Evolution and History of Modern US Foreign Policy: from Cold War to the Present

**Test**

**Textbook Reading: Brun, Chapters 7, 8, 9, and 10, Nations Chapters 12 and 13**

**Part 4- Modern World Issues and the Future**

International Institutions:

Institutions in Action: Considering Modern Day IR dilemmas

**Test**

**Textbook Reading: Brun, Chapters 11, 12, 13, and 14, Nations Chapters 14 and 15**

## Semester Final Exam

### **Grading:**

Grades are calculated on a **cumulative point system**, therefore every assignment, every quiz, and every test is important and **must be completed on time in order to receive full credit.**