This course supports the assessments for FTC1. The course covers 12 competencies and represents 3 competency units.

**Introduction**

**Overview**
This course introduces foundational concepts of economic principles such as opportunity costs, supply, and demand. The course focuses on primary macroeconomic principles, including measurement, money economy in the long-run, macroeconomic fluctuations, and policy issues. In this course, real-world examples are presented that require you to apply theory to practice, thus demonstrating the relevance of macroeconomic thought.

**Getting Started**

Welcome to Macroeconomics. To get started with the course, begin by watching the Macroeconomics Welcome Video. Then, familiarize yourself with the course of study. The topics and pacing outline is also embedded in the course and can be very useful in helping keep you on track. There are three main publisher provided resources for the course: the Bade and Parkin e-text, CourseConnect and MyEconLab. There are also a number of course instructor created resources that can be found throughout this course. Course Connect, MyEconLab, and the course instructor created resources are supplemental to the e-text.

Watch the following video introduction for this course:

*Note: To download this video, right-click the following link and choose “Save as...“: [download video]*

**Competencies**
This course provides guidance to help you demonstrate the following 12 competencies:

- **Competency 3003.1.1: The Economic Way of Thinking**
  The graduate analyzes the economic way of thinking.
- **Competency 3003.1.2: Supply and Demand**
  The graduate explains how free and competitive markets allocate resources efficiently through the interaction of supply and demand.
- **Competency 3003.1.4: Gross Domestic Product & the Consumer Price Index**
  The graduate explains the measurements of gross domestic product and inflation as key indicators of aggregate economic performance.
- **Competency 3003.1.5: Jobs, Employment, and Output**
  The graduate explains the significant relationship between employment and output in the short-run and long-run.
- **Competency 3003.1.6: Economic Growth**
  The graduate analyzes the differences in growth rates over time and between economies.
Course Instructor Assistance
As you prepare to successfully demonstrate competency in this subject, remember that course instructors stand ready to help you reach your educational goals. As subject matter experts, mentors enjoy and take pride in helping students become reflective learners, problem solvers, and critical thinkers. Course instructors are excited to hear from you and eager to work with you. Successful students report that working with a course instructor is the key to their success. Course instructors are able to share tips on approaches, tools, and skills that can help you apply the content you’re studying. They also provide guidance in assessment preparation strategies and troubleshoot areas of deficiency. Even if things don’t work out on your first try, course instructors act as a support system to guide you through the revision process. You should expect to work with course instructors for the duration of your coursework, and you are encouraged to contact them as soon as you begin. Course instructors are fully committed to your success!

Preparing for Success

The information in this section is provided to detail the resources available for you to use as you complete this course.

Learning Resources
The learning resources listed in this section are required to complete the activities in this course. For many resources, WGU has provided automatic access through the course. However, you may need to manually enroll in or independently acquire other resources. Read the full instructions provided to ensure that you have access to all of your resources in a timely manner.

Automatically Enrolled Resources

You will be automatically enrolled at the activity level for the following learning resources.
Simply click on the links provided in the activities to access the learning materials.

**VitalSource E-Text**
The following textbook is available to you as an e-text within this course of study. This e-text will act as your main resource for learning. The other learning resources provided in this course are supplemental to this e-text. You will be directly linked to the specific readings required within the activities that follow.


*Note: This e-text is available to you as part of your program tuition and fees, but you may purchase a hard copy at your own expense through VitalSource or a retailer of your choice. If you choose to purchase the text from a retailer, please use the ISBN listed to ensure that you receive the correct edition.*

**Directions for purchasing a printed text from VitalSource:**

1. Access the text using the course links.
2. Click on the Main Menu Icon in the upper left corner.
3. Click Print on Demand
4. If your text is available, it will be listed.
5. Click on the text and follow the prompts for purchasing the book.

*For more information, review the Print on Demand Option for VitalSource Texts: Help documentation.*

**CourseConnect**
To supplement your learning, you may want to engage with Pearson CourseConnect. This additional learning resource includes interactive presentation material, self-checks, and analysis that supports the content in this Foundations of Macroeconomics course.

Complete the CourseConnect activities as necessary to increase your understanding of concepts presented in the e-text.

*Note: Open Pearson CourseConnect in a browser other than Internet Explorer to fully access all resources.*

**Pearson MyEconLab**
MyEconLab from Pearson is another supplemental resource available to you. MyEconLab contains homework sets and study plans associated with the e-text for this course.

Complete the MyEconLab activities if you desire additional support to your learning after completing the reading and associated CourseConnect lessons in each topic. You can use the MyEconLab Results page to track your progress.
MyEconLab engagement will be required if you fail your first assessment attempt.

**Study Guide Questions**

The study guide questions are a learning resource available for your use. You can use the study guide questions to measure your understanding of the materials covered in this course. Please navigate to the study guide questions using the following link:

- [Study Guide Questions](#)

**Minimum Technical Requirements**

**Obtain a Calculator**

You will need a financial calculator or access to spreadsheet software, such as Microsoft Excel, for computational problems throughout this course. The recommended financial calculator is the Texas Instruments BA-II Plus. You may only use an approved financial calculator during the pre-assessment and assessment for this course. You are unable to use Excel during the assessments.

**Topics and Pacing**

This outline is a guided structure of the topics recommended to complete the learning activities. It is provided as a suggested structure and can be adapted according your knowledge, skills, and experience. Use the topics and pacing outline to support your completion of the course within the recommended timeframe.

- **Week 1**
  - Course Intro
  - The Economic Way of Thinking
  - Supply and Demand

- **Week 2**
  - Gross Domestic Product & the Consumer Price Index
  - Jobs, Employment, and Output
  - Economic Growth

- **Week 3**
  - U.S. Monetary System
  - Money, Interest, and Inflation

- **Week 4**
  - Aggregate Supply and Aggregate Demand
  - Explaining the Short-Run Policy Trade-Off

- **Week 5**
  - Fiscal Policy
  - Monetary Policy
  - International Economic Policy
Macroeconomics

Economics is the social science concerned with the choices that individuals, businesses, governments, and entire societies make as they cope with scarcity. The study of economics encompasses the incentives that influence people’s choices and the arrangements that coordinate them.

The Economic Way of Thinking
The study of economics entails the ways in which society efficiently and effectively allocates its scarce resources among competing uses. This optimal allocation is first demonstrated in the supply and demand model where the quantities of goods and services businesses are able and willing to produce (supply) is graphed along with the quantity of these goods and services people are able and willing to purchase (demand).

This topic addresses the following competency:

- Competency 3003.1.1: The Economic Way of Thinking
  The graduate analyzes the economic way of thinking.

This topic highlights the following objectives:

- Label examples of basic economic questions that any society must answer.
- Define the core ideas that combine to make up the economic way of thinking.
- Label examples of the three basic economic questions in the global economy.
- Analyze examples of production for efficiency, inefficiency, and tradeoffs.
- Analyze examples of production for specialization and trade.

Read: Chapters 1 Through 3

Read the following chapters in Foundations of Macroeconomics:

- Chapter 1 ("Getting Started")
- Chapter 2 ("The U.S. and Global Economies")
- Chapter 3 ("The Economic Problem")

CourseConnect: The Economic Way of Thinking

As needed, supplement your learning by engaging with the following lesson in Principles of Macroeconomics from Pearson CourseConnect:

- The Economic Way of Thinking

Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.

MyEconLab Homework and Study Plan: Chapters 1 Through 3
As needed, supplement your learning by engaging with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in MyEconLab for the following chapters:

- Chapter 1
- Chapter 2
- Chapter 3

Then, complete the practice problems in the Study Plan for the chapters to check your understanding of key concepts.

Please watch the following recorded webinar:

- Production Possibilities Frontier

**Supply and Demand**

Competitive markets are influenced by supply and demand. **Supply** is the relationship between the price of a good and how much of that good is produced or available. The price of goods or services affects quantities that firms plan to sell (supply). **Demand** is the relationship between the price of a good and how much of that good consumers want to purchase. Prices also affect quantities that consumer plan to buy (demand). Therefore, resource allocation is influenced by both supply and demand.

When households and businesses interact in the product market, an equilibrium price/quantity relationship is reached where both parties are in agreement. This equilibrium is known as the market clearing price/quantity relationship.

This topic addresses the following competency:

- Competency 3003.1.2: Supply and Demand
  The graduate explains how free and competitive markets allocate resources efficiently through the interaction of supply and demand.

This topic highlights the following objectives:

- Identify causes and effects of changes in demand and changes in quantities demanded.
- Identify causes of changes and effects in supply and quantities supplied.
- Identify the effects of changes in demand and supply on market equilibrium in given scenarios.

**Read: Chapter 4**

Read the following chapter in *Foundations of Macroeconomics*:
• Chapter 4 (“Demand and Supply”)
CourseConnect: Supply and Demand

As needed, supplement your learning by engaging with the following lesson in Principles of Macroeconomics from Pearson CourseConnect:

• Supply and Demand

Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.

MyEconLab Homework and Study Plan: Chapter 4

As needed, supplement your learning by engaging with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in MyEconLab for the following chapter:

• Chapter 4

Then, complete the practice problems in the Study Plan for the chapter to check your understanding of key concepts.

View the Recorded Videos

Please watch the following recorded webinars:

• Demand Side of the Market
• Supply Side of the Market
• Interaction of Demand and Supply

Gross Domestic Product & the Consumer Price Index

The gross domestic product (GDP) is the market value of all final goods and services produced domestically over a specified period of time. GDP is a measurement of economic progress. In measuring economic progress, it is important not only to calculate GDP, likewise it is used to calculate real GDP (also known as per capita real GDP), a measurement of our standard of living. Real GDP takes into account the effect that rising price levels (inflation) have on this measurement. It provides a more reliable means of comparing economic growth over time. Per capita GDP takes into account changes in the population. As such per capita GDP helps define and measure changes to our standard of living.

By eliminating the inflation effect it is possible to compare output from one time period to another without inflation clouding the comparison. Inflation is measured in many ways but at the consumer level we use the CPI (consumer price index) to measure price level changes within the economy. Inflation affects everyone in the economy, consumers, businesses and the government alike. Inflation has a redistribution effect; because inflation erodes the purchasing power of money it benefits borrowers but hurts savers.
This topic addresses the following competency:

- Competency 3003.1.4: Gross Domestic Product & the Consumer Price Index
  The graduate explains the measurements of gross domestic product and inflation as key indicators of aggregate economic performance.

This topic highlights the following objectives:

- Identify factors included in gross domestic product (GDP) measure.
- Identify specific approaches for measuring gross domestic product.
- Compare standards of living across different countries using gross domestic product as the measure.
- Identify the calculation of the Consumer Price Index (CPI).
- Identify the economic significance of inflation.

**Read: Chapter 5 and Chapter 7**

Read the following chapters in *Foundations of Macroeconomics*:

- Chapter 5 ("GDP: A Measure of Total Production and Income")
- Chapter 7 ("The CPI and the Cost of Living")

**CourseConnect: Gross Domestic Product & the Consumer Price Index**

As needed, to supplement your learning by engaging with the following lesson in Principles of Macroeconomics from Pearson CourseConnect:

- [Gross Domestic Product & the CPI](#)

*Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.*

**MyEconLab Homework and Study Plan: Chapter 5 and Chapter 7**

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in [MyEconLab](#) for the following chapters:

- Chapter 5
- Chapter 7

Then, complete the practice problems in the [Study Plan](#) for the chapters to check your understanding of key concepts.

**View the Recorded Videos**

Please watch the following recorded webinars:
Jobs, Employment, and Output
The number of people in the labor force has more than doubled since 1960. Population and demographic changes are responsible for the growth. During the last 80 years, unemployment has averaged 5.7%. Unemployment is affected by natural turnover, changes in workplaces due to technology, and cyclical variations in employment and in the economy.

Real GDP and employment rates are related. When the economy is robust GDP rises. Employment opportunities therefore increase as businesses need more employees to increase their output. The opposite happens when the economy slows. Production decreases in response to the slowdown in the economy resulting in less need of labor. Workers now find that there are fewer employment opportunities for those seeking work.

This topic addresses the following competency:

- Competency 3003.1.5: Jobs, Employment, and Output
  The graduate explains the significant relationship between employment and output in the short-run and long-run.

This topic highlights the following objectives:

- Identify factors that contribute to variation in labor market performance.
- Define full employment.
- Identify the correlation between unemployment and real gross domestic product (GDP).
- Label the type of unemployment illustrated when given examples of unemployment.
- Define natural unemployment rate.

Read: Chapter 6

Read the following chapter in Foundations of Macroeconomics:

- Chapter 6 (“Jobs and Unemployment”)

CourseConnect: Jobs, Employment, and Output

As needed, supplement your learning by engaging with the following lesson in Principles of Macroeconomics from Pearson CourseConnect:

- Jobs, Employment, and Output

Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.

MyEconLab Homework and Study Plan: Chapter 6

As needed, supplement your learning by engaging with MyEconLab after completing the e-text reading and CourseConnect lesson.
Complete the homework found in MyEconLab for the following chapter:

- Chapter 6

Then, complete the practice problems in the Study Plan for the chapter to check your understanding of key concepts.

Please watch the following recorded webinars:

- Unemployment Rate, Labor Force Participation Rate, and Trend in Labor Force Participation Rate
- Types of Unemployment, Nominal VS. Real Values

**Economic Growth**

*Economic growth* is a sustained expansion of the economy. In determining economic growth, it is important not only to calculate real GDP but to also calculate the real GDP per person to measure standard of living.

The quantity of labor growth and the growth of labor productivity are both factors in determining the growth of real GDP. In turn, these factors are linked to population growth, workforce participation, technological advances, and physical capital (e.g., factories, machines, and tools).

This topic addresses the following competency:

- Competency 3003.1.6: Economic Growth
  The graduate analyzes the differences in growth rates over time and between economies.

This topic highlights the following objectives:

- Label examples of key sources of economic growth.
- Analyze which government action was applied to enhance economic growth when given a scenario.

**Read: Chapter 9**

Read the following chapter in *Foundations of Macroeconomics*:

- Chapter 9 ("Economic Growth")

**CourseConnect: Economic Growth**

As needed, supplement your learning by engaging with the following lesson in Principles of Macroeconomics from Pearson CourseConnect:

- Economic Growth
MyEconLab Homework and Study Plan: Chapter 9

As needed supplement your learning by engaging with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in MyEconLab for the following chapter:

- Chapter 9

Then, complete the practice problems in the Study Plan for the chapter to check your understanding of key concepts.

U.S. Monetary System

While money has many functions in the economy, most people think of money primarily as a unit of exchange for acquiring goods and services. Prices for the goods and services that households purchase are determined in free market economies (i.e., capitalism) through the interactions of supply and demand.

Money is important in every economy as it facilitates the transactions that take place. The Federal Reserve Bank plays a key role in determining the money supply. The Federal Reserve Bank (also called the Fed) establishes monetary policy for the nation and increases or decreases the amount of money in circulation through its tools of monetary policy.

As our nation’s central bank, the Federal Reserve Bank performs many important functions including the regulation and auditing of the financial institutions that comprise the banking industry. Acting as financial intermediaries financial institutions are able to create an orderly environment where those who seek loans are able to borrow and those who seek to save are able to receive a return on their savings as interest paid by the institution. Financial institutions are motivated by profit to act as financial intermediaries and benefit from the interest rate spread between the interest they pay to savers and the interest they receive on the loans they make to borrowers.

This topic addresses the following competency:

- Competency 3003.1.8: Monetary System
  The graduate will identify key components of the U.S. monetary system.

This topic highlights the following objectives:

- Identify which function of money is applied in given scenarios.
- Identify the functions of banks.
- Identify the role of the Federal Reserve System.
- Identify ways the Federal Reserve influences the creation of money by the banking system.
Read: Chapter 11

Read the following chapter in *Foundations of Macroeconomics*:

- Chapter 11 ("The Monetary System")

**CourseConnect: U.S. Monetary System**

As needed, supplement your learning by engaging with the following lesson in Principles of Macroeconomics from Pearson CourseConnect:

- U.S. Monetary System

*Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.*

**MyEconLab Homework and Study Plan: Chapter 11**

As needed, supplement your learning by engaging with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in [MyEconLab](#) for the following chapter:

- Chapter 11

Then, complete the practice problems in the [Study Plan](#) for the chapter to check your understanding of key concepts.

*View the Recorded Videos*

Please watch the following recorded webinars:

- [Players in Money Supply Process](#)
- [How Monetary Policy Tools Work](#)

**Money, Interest, and Inflation**

Money plays a vital role in the economy. The amount of cash to which people hold onto depends on the nominal interest rate. If the rate rises, the quantity of money demanded drops. If the rate drops, the quantity of money demanded rises. When the value of money decreases, price levels rise. *Inflation* is the rise in the price level, which means higher prices and reduced buying power for consumers.

Money, interest rates, and inflation are interrelated. Interest rates influence how much cash people retain, and the value of money affects prices. When the value of money declines, inflation occurs.

This topic addresses the following competency:
• Competency 3003.1.9: Money, Interest, and Inflation
  The graduate analyzes changes in the supply of and demand for money.

This topic highlights the following objectives:

• Identify how supply and demand of money influence money market equilibrium.
• Identify the costs of inflation.

Read: Chapter 12

Read the following chapter in *Foundations of Macroeconomics*:

• Chapter 12 ("Money, Interest, and Inflation")

CourseConnect: Money, Interest, and Inflation

As needed, supplement your learning by engaging with the following lesson in Principles of Macroeconomics from Pearson CourseConnect:

• *Money, Interest, and Inflation*

*Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.*

MyEconLab Homework and Study Plan: Chapter 12

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in *MyEconLab* for the following chapter:

• Chapter 12

Then, complete the practice problems in the *Study Plan* for the chapter to check your understanding of key concepts.

View the Recorded Video

Please watch the following recorded webinar:

• *Causes of Inflation*

**Aggregate Supply and Aggregate Demand**

*Aggregate supply* is the relationship between the quantity of real GDP supplied and the price level. *Aggregate demand* is the relationship between real GDP demanded and the price level. Economists study both to get a better understanding of the effects of short-term influences on the economy.

Both aggregate supply and aggregate demand affect the economy. The AS-AD model is used
to measure the effects of aggregate supply and demand on the economy.

This topic addresses the following competency:

- Competency 3003.1.10: Aggregate Supply and Aggregate Demand
  The graduate explains how changes in aggregate supply and aggregate demand result in business cycles.

This topic highlights the following objectives:

- Identify the determinants of aggregate supply.
- Identify the determinants of aggregate demand.
- Analyze how changes in aggregate demand and aggregate supply affect the business cycle.

Read: Chapter 13

Read the following chapter in *Foundations of Macroeconomics*:

- Chapter 13 (“Aggregate Supply and Aggregate Demand”)

CourseConnect: Aggregate Supply and Aggregate Demand

As needed, supplement your learning by engaging with the following lesson in Principles of Macroeconomics from Pearson CourseConnect:

- **Aggregate Supply and Aggregate Demand**

*Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.*

MyEconLab Homework and Study Plan: Chapter 13

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in MyEconLab for the following chapter:

- Chapter 13

Then, complete the practice problems in the Study Plan for the chapter to check your understanding of key concepts.

Please watch the following recorded webinars:

- **Aggregate Demand**
- **Aggregate Supply**
• AD-AS Equilibrium

Explaining the Short-Run Policy Trade-Off

Inflation and unemployment have an inverse relationship over the short-run. As inflation rises, unemployment drops. However, in the long run, inflation does not affect unemployment rates.

The short-run Phillips curve can be used to show the relationship between inflation and unemployment given constant rates of both expected inflation and natural unemployment.

This topic addresses the following competency:

• Competency 3003.1.12
  The graduate analyzes the relationship between inflation and unemployment in the short-run.

This topic highlights the following objectives:

• Identify the relationship between inflation and unemployment using the short-run Phillips curve.
• Identify the effects of expected inflation on the short-run and the long-run using Phillips curves.

Read: Chapter 15

Read the following chapter in Foundations of Macroeconomics:

• Chapter 15 ("The Short-Run Policy Trade-Off")

CourseConnect: Explaining the Short-Run Policy Trade-Off

As needed, supplement your learning by engaging with the following lesson in Principles of Macroeconomics from Pearson CourseConnect:

• Explaining the Short-Run Policy Trade-Off

Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.

MyEconLab Homework and Study Plan: Chapter 15

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in MyEconLab for the following chapter:

• Chapter 15

Then, complete the practice problems in the Study Plan for the chapter to check your understanding of key concepts.
**Fiscal Policy**

The government uses fiscal policy to influence the economy and to ameliorate the ups and downs of the business cycle. The two tools of fiscal policy are government spending and taxes. When the government utilizes these tools the economy can be influenced via changes (shifts) of the aggregate demand curve or changes (shifts) of the aggregate supply curve.

When the United States fell into the Great Recession as a result of the 2008 financial crisis and near collapse of financial markets worldwide, the government used fiscal policy to help shore up the fragile economy. The stimulus package of 2008 is an example of how one of the tools of fiscal policy (government spending) is used to influence the real economy. The stimulus package was designed to stimulate aggregate demand and keep the economic downturn from becoming even worse. The other tool of fiscal policy is changes to taxes. Tax cuts stimulate aggregate demand by putting more disposable income into the hands of households. Tax cuts for corporations can impact both the aggregate demand curve and also the aggregate supply curve because corporations buy (demand) goods and services but also supply them. Tax cuts shift these curves to the right which is called an increase in demand (supply) but these shifts can happen in the opposite (leftward) direction when taxes are increased.

This topic addresses the following competency:

- Competency 3003.1.13: Fiscal Policy
  The graduate analyzes the supply and demand effects of fiscal policy on employment and gross domestic product.

This topic highlights the following objectives:

- Outline the federal budget process.
- Identify how tax revenues and outlays affect the state of the national budget (deficits, debts, and surpluses).
- Identify demand side effects of fiscal policy.
- Identify supply side effects of fiscal policy.

**Read: Chapter 16**

Read the following chapter in *Foundations of Macroeconomics*:

- Chapter 16 ("Fiscal Policy")

**CourseConnect: Fiscal Policy**

As needed, supplement your learning by engaging with the following lesson in Principles of Macroeconomics from Pearson CourseConnect:

- Fiscal Policy

*Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.*
MyEconLab Homework and Study Plan: Chapter 16

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in MyEconLab for the following chapter:

- Chapter 16

Then, complete the practice problems in the Study Plan for the chapter to check your understanding of key concepts.

Please watch the following recorded webinars:

- Fiscal Policy I
- Fiscal Policy II

Monetary Policy

The Federal Reserve Bank (the Fed) has many responsibilities within the banking industry. One of their most important roles is to control the nation’s money supply via monetary policy. The Fed has policy tools (also called instruments) at its disposal that are used to affect economic outcomes via changes to the money supply. Tools include an established reserve requirement, an established discount rate, and Open Market Operations, which is the buying and selling of bonds as determined by the Open Market Committee (OMC). The tool most often implemented and the one that makes news headlines, however, is the Fed Funds Rate, the interest rate on an overnight loan at which banks lend to one another based on reserves. If the Fed targets the Funds Rate by lowering it. The monetary base will increase. This is an appropriate action to fight recession. The opposite happens if they raise the Fed Fund Rate. Decreasing the monetary base is an appropriate action to fight inflation. The monetary base, also known as high powered money, is one way of several ways in which the money supply is measured.

When the Federal Reserve takes action, it can take several months or longer before the effects produce visible results. Economists debate over whether monetary policy should be based on specific rules or on experience and knowledge.

This topic addresses the following competency:

- Competency 3003.1.14: Monetary Policy
  The graduate explains the objectives and tools of the Federal Reserve’s monetary policy.

This topic highlights the following objectives:

- Identify the goals of U.S. monetary policy.
Identify the methods the Federal Reserve uses to achieve monetary goals.
Identify the transmission process of monetary policy.
Compare monetary policy strategies.

Read: Chapter 17

Read the following chapter in *Foundations of Macroeconomics*:

- Chapter 17 ("Monetary Policy")

**CourseConnect: Monetary Policy**

As needed, supplement your learning by engaging with the following lesson in Principles of Macroeconomics from Pearson CourseConnect:

- Monetary Policy

*Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.*

**MyEconLab Homework and Study Plan: Chapter 17**

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in MyEconLab for the following chapter:

- Chapter 17

Then, complete the practice problems in the Study Plan for the chapter to check your understanding of key concepts.

**View the Recorded Video**

Please watch the following recorded webinar:

- Monetary Policy

**International Economic Policy**

International trade benefits many people. However, companies and individuals can experience loss related to global trade. Governments can impose regulations to protect domestic markets.

Governments protect domestic markets by enacting tariffs, import quotas, and trade regulations. Such actions are meant to counter negative effects of globalization.

This topic addresses the following competency:

- Competency 3003.1.15: International Economic Policy
  The graduate analyzes the effects of government policies in international markets.
This topic highlights the following objectives:

- Identify the outcomes of international trade.
- Identify the effects of international trade restrictions.
- Identify justifications for international trade restrictions.

**Read: Chapter 18**

Read the following chapter in *Foundations of Macroeconomics*:

- Chapter 18 (“International Trade Policy”)

**CourseConnect: International Economic Policy**

As needed, supplement your learning by engaging with the following lesson in Principles of Macroeconomics from Pearson CourseConnect:

- International Economic Policy

*Note: Open CourseConnect in a browser other than Internet Explorer to fully access all resources.*

**MyEconLab Homework and Study Plan: Chapter 18**

To further supplement your learning as needed, engage with MyEconLab after completing the e-text reading and CourseConnect lesson.

Complete the homework found in MyEconLab for the following chapter:

- Chapter 18

**Final Steps**

Congratulations on completing the activities in this course! This course has prepared you to complete the assessments associated with this course. If you have not already been directed to complete the assessments, schedule and complete them now.