

# Understanding the Economy

## Course Description

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Understanding the economy and coping with the economic environment is critical in today's business performance, which is a major concern for managers and investors. The course will address macro-economic factors that may affect the performance of the business. Macro-economic factors include business cycles, interest rates, economic policy, inflation, unemployment, housing starts, money supply, and foreign exchange rates. For example, how the Fed's monetary policy affects corporate earnings is stressed. A variety of economic statistics and indicators are also explained in depth.

**Completion Deadline & Exam:** This course, including the examination, must be completed within one year of the date of purchase. In addition, unless otherwise indicated, no correct or incorrect feedback for any exam question will be provided.

**Course Level:** Overview. This program is appropriate for professionals at all organizational levels.

**CPE Credits:** 8 (CPA)

**Category:** Finance

**Prerequisite:** Basic Accounting

**Advanced Preparation:** None

## Course Learning Objectives

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### Module 1: Understanding Economic Data and Indicators

After studying this module you will be able to:

1. Identify economic trends and indicators.
2. Recognize sources of economic data/variables to be analyzed.

### Module 2: The Scope of Economics

After studying this module you will be able to:

1. Distinguish between the private and public sector of the economy.
2. Recognize elements of economic systems.
3. Understand the goals of economic policies.

## **Module 3: Basic Concepts in Economics**

After studying this module you will be able to:

1. Recognize the relationship between economic decisions and marginal measures.
2. Identify and apply different economic concepts and decisions.

## **Module 4: Fundamental Macroeconomic Concepts**

After studying this module you will be able to:

1. Identify economic issues of unemployment and inflation.
2. Recognize the factors of unemployment and the business cycle.

## **Module 5: Measuring Economic Activity**

After studying this module you will be able to:

1. Recognize key elements in the money supply and GDP.
2. Identify different measures of inflation.

## **Module 6: Equilibrium Output and Income**

After studying this module you will be able to:

1. Recognize equilibrium outputs and income and natural interest rates.
2. Identify the components of investment.
3. Understand and calculate the marginal propensity to save.

## **Module 7: Fiscal Policy**

After studying this module you will be able to:

1. Recognize the elements of fiscal policy and the components of aggregate demand.

## **Module 8: Money, Financial Markets, and the Banking System**

After studying this module you will be able to:

1. Recognize the meaning and function of money.
2. Identify some examples of financial instruments and the role of financial institutions.
3. Understand the role and function of the Federal Reserve System.
4. Recognize the role of the Federal Reserve and the money supply.

## **Module 9: Monetary Policy**

After studying this module you will be able to:

1. Identify the roles of price level and inflation.
2. Recognize the relationship between investment and interest rates.

## **Module 10: The Full Macroeconomic Model**

After studying this module you will be able to:

1. Recognize the value of the Phillips curve and its application to monetary policy for price stability and employment.
2. Identify the cause of stagflation and some potential solutions.
3. Recognize some economic arguments for budget deficits.

## **Module 11: International Trade and Finance**

After studying this module you will be able to:

1. Recognize some key attributes of the international trade and the foreign exchange market.
2. Calculate exchange rates.

## **Module 12: Issues in Macroeconomics**

After studying this module you will be able to:

1. Understand monetarism theory and Keynesian economics.