

Economic Indicators: **A Comprehensive Overview**

Course Description

Economic indicators are those often-voluminous statistics released by government agencies, non-profit organizations and even private companies. They provide measurements for evaluating the health of our economy, including the latest business cycles, consumer spending, inflation, housing, and so on. Various economic indicators are released quarterly, monthly, weekly, and even daily.

This course provides an introductory overview of the world's most prevalent economic indicators, including those related to unemployment, consumer sentiment and confidence, inflation, productivity, housing, manufacturing, and international trade. This course reviews the impact that changes in these indicators have on the financial markets and monetary policy.

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: 11 (CPA)

Category: Finance

Prerequisite: None.

Advanced Preparation: None

Course Learning Objectives

Chapter 1: Economic Indicators and Business Cycles

1. Identify the four phases of the business cycle.
2. Indicate how various economic conditions impact the business cycle.
3. Identify the types of economic indicators that exist and recognize the unique characteristics of each type.
4. Recognize tools that are currently available to monitor economic indicators.

Chapter 2: Financial Markets and Interest Rates

1. Identify the unique characteristics of financial markets.
2. Recognize the types of financial instruments traded in various financial markets.
3. Calculate 'simple' and 'compound' interest.
4. Identify how a bond's stated interest rate and its yield-to-maturity impacts the price at which it is traded.
5. Recognize how interests can vary based on the risk structure of interest rates.
6. Identify how a yield curve illustrates the term structure of interest rates.

Chapter 3: GDP and Monthly Indicators

1. Identify the components of gross domestic product (GDP) and recognize how economic indicators impact these components.
2. Calculate GDP.
3. Identify the difference between nominal and real GDP.
4. Recognize the economic impact of the GDP report.

Chapter 4: Federal Reserve and Monetary Indicators

1. Recognize the role that the Federal Reserve System ("the Fed") plays in financial markets.
2. Identify the tools used by the Fed to conduct its monetary policy and explain how these tools impact the U.S. money supply.
3. Calculate the two measures used by the Federal Reserve to estimate the U.S. money supply (M1 & M2).
4. Recognize the economic impact of the FOMC Statement and the other reports issued by the Fed.

Chapter 5: Unemployment and Consumer Indicators

1. Calculate the unemployment rate and recognize the inherent limitations of the unemployment rate.
2. Recognize the characteristics and economic impact of the Employment Situation Report and other employment indicators.
3. Identify the methods in which consumer sentiment and consumer confidence are measured.
4. Identify how consumer income and spending is measured and presented on the Personal Income and Outlays report.

Chapter 6: Inflation and Productivity Indicators

1. Calculate an annual rate of inflation.
2. Identify the primary price indexes that measure inflation, including the CPI and PPI.

3. Recognize the impact that commodities markets have on inflation.
4. Recognize how economic growth is impacted by labor productivity.
5. Identify the economic indicators used to monitor productivity.

Chapter 7: Industrial and Commercial Indicators

1. Recognize the methods in which the Federal Reserve measures and reports industrial production and capacity utilization.
2. Identify industrial production indicators that have the most impact on the economy.
3. Recognize the impact that changes in the housing market has on the economy.
4. Identify the economic indicators used to monitor the housing market.

Chapter 8: International Trade Indicators

1. Classify a country's balance of trade as either a 'trade surplus' or a 'trade deficit'.
2. Identify scenarios where one country has an absolute advantage and/or a comparative advantage in producing a good over another country.
3. Recognize the economic indicators used to monitor international trade.