

# ECONOMICS

## *Mission and Structure*

The purpose of the economics major at Monmouth College is to provide students with a theoretical framework which can be used to analyze real world issues. The program focuses on analyzing resource and product allocation issues based on the behavioral assumption of rationality. Rationality is defined as selecting alternatives that produce the greatest net benefit over cost given the goals of the decisionmaker. Economic rationality implies decision-making processes based on marginalism and it is a primary goal of the program to have students utilize a critical thinking process based on marginal analysis.

Particular emphasis is placed on analyzing how social institutions shape behavior and how of those same institutions were shaped by maximizing behavior in the past and continue to be changed by such behavior. The program specifically focuses the use of economic analysis in business decision-making and public policy programs.

The study of economics explores the relationship between economic systems, individual liberty, government institutions, political rules and social values such as democracy, equality, and freedom. This study prepares students for active, effective roles of citizenship, service and leadership. As an analytical tool of critical thought, economics fosters the discovery of connections among disciplines and of larger patterns of meaning. Economics also helps students understand the methods of inquiry and expression in the social sciences. In these ways the major supports the mission of the college.

The program has four components:

1. Tools  
MATH 106: Introductory Statistics  
ECON 371 Econometrics
2. Theory  
ECON 200 Principles of Economics  
ECON 300 Intermediate Price Theory  
ECON 301 Intermediate Macroeconomics
3. Applications  
ECON 3-- Public Policy Electives
4. Integration  
ECON 401 Economic Research Analysis

### *Assessment of Major Goals*

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<b>Goals of the Major</b>	<b>Most Relevant Courses</b>	<b>Means of Assessment</b>
1. Develop skills to understand and make causation and correlation arguments	MATH 106, ECON 371, ECON 401	Examinations, papers, discussion, independent research
2. Understand the function of prices and the operation of product markets	ECON 200, ECON 300, ELECTIVES	Examinations & papers
3. Understand the function of money	ECON 200, ECON 301	Examinations, papers, discussion, independent research
4. Understand the relationship between monetary policy and output, price level, and employment	ECON 200, ECON 301	Examinations, papers, discussion, independent research
5. To analyze public policy issues using economic analysis	ECON 200, ECON 300, ECON 301, ECON 401 ELECTIVES	Examinations, papers, discussion, independent research
6. To test hypothesis derived from economic theory using quantitative data	MATH 106, ECON 371, ECON 401	Independent research

## *Assessment of Student Learning in the Major*

The faculty members of the Political Economy and Commerce will monitor and assess the degree to which the economics program achieves the goals stated above as a normal part of their teaching and advising activities. The departmental faculty have frequent discussions about individual student abilities, individual student progress, course effectiveness and overall program effectiveness.

More formally: the real assessment of program success and individual student proficiency is the ability of each student to define and complete an independent research project under the supervision of a mentoring faculty. In their last semester, each economics major must complete an independent research project. Each major works with a faculty member to identify a research project. After the topic has been identified, the student researches and summarize the existing professional literature on the topic. After the review of the literature, the student uses economic theory learned in previous coursework to state a hypothesis that can be tested using data. Appropriate data is collected and statistical tests are conducted to determine if the theoretical hypothesis is supported by the evidence or not. The results of the statistical tests are analyzed and conclusions are drawn. The ability of students to define and research a topic is useful for assessing their understanding of previous coursework in economic theory. Similarly, their ability to gather data and conduct hypothesis tests is important evidence of the knowledge they gained in the quantitative courses in the department. The ability of the students to analyze the importance of their work and communicate their findings are also important assessment devices. Follow up surveys of seniors and alumni will also be conducted to assess program effectiveness and student satisfaction.

The one-on-one contact and faculty student inter-change is an invaluable method for discovering what students know and their ability to use what they have learned. As a result of the knowledge gained during the independent research project, faculty revise their syllabi to adjust coverage and teaching methods of the concepts which students do not understand as well as is desired. Additional assignments and class project may be developed to improve the program. If significant, on-going problems are identified, new courses could and would be developed to address the problems.