



**connect**<sup>®</sup>**MASTER**

## Principles of Economics

Asarta | Butters



**ONLINE LEARNING  
WITHOUT COMPROMISE**



## Why Connect Master?

**Connect Master: Principles of Economics** was created to help alleviate the top course challenges for instructors:

- Students weren't reading materials or coming to class prepared.
- Too much class time was being spent reviewing the basics.
- Students were not engaged, nor did they see how the course was relevant.
- Students came to class with varying levels of math and graphing skills.

There has been a paradigm shift in the way you teach and the way students learn. This has only increased with hybrid and online courses. That's where **Connect Master** comes in to meet the needs of today's digital-native learners and the customization needs of instructors.

Students often struggle to connect concepts to application. **Connect Master: Principles of Economics** is the first **all-digital learning solution** that takes students beyond basic knowledge to mastery of foundational concepts through *adaptive learning* with just-in-time resources paired with **practical assessments**. Over 260 topics are anchored with short, engaging, high-quality **video** and deliberately designed learning resources, homework, assessment, and applied learning exercises that can be used standalone to fit any course's scope, sequence, and delivery.

## 2024 Release

### All-New Monetary Policy with Ample Reserves Module

The Federal Reserve completely restricted how monetary policy is conducted beginning back in 2008. Current textbooks do not extensively cover the new monetary regime. In the 2024 Release, we have addressed these changes in both the Money and Monetary Policy modules.

We are now offering **two** Monetary Policy modules so you can choose how to present the materials to your students—the traditional approach or the ample reserves approach.

The 2024 Release of Connect Master is getting an entirely **NEW Monetary Policy Module** focusing on Ample Reserves. This new module will have 10

concepts, 8 of which are completely new, we're also making relevant changes to the Money Module and keeping the original Monetary Policy module for those who like to incorporate this traditional approach into their teaching as well.

### Enhanced Graphing Homework Assignments

With the goal of providing education for all, we have added **all-new graph summaries** plus **easier-to-navigate plotting** and **shading** tools. These new tools help ensure more students can practice and demonstrate their understanding of concepts without struggling with clunky and inaccessible technology.

### Current Real-World Applications

All **real-world** examples used throughout the product have been closely reviewed and updated to keep the content **current** and **relevant** for students.

### Money and Monetary Policy Modules and Topics:

Module: Money	Module: Monetary Policy (Traditional Approach)	➤ <b>NEW</b> ⬅ Monetary Policy (Ample Reserves Approach)
Money	Interest Rates and Investment	Introduction to Monetary Policy
The Money Supply (updated, new video)	Interest Rates and Aggregate Demand	Federal Funds Rate with Ample Reserves
The Equations of Exchange	Open Market Operations	The Feds Toolbox—Administered Interest Rates
The Federal Reserve - Structure	Reserve Requirement	Targeting the Federal Funds Rate with Ample Reserves
The Federal Reserve - Functions - Ample Reserves (updated, new video)	Discount Rate	Interest Rates and Aggregate Demand
Banking	Federal Funds Rate	Expansionary Monetary Policy
Fractional Reserve Banking - Reserve Requirements	Targeting the Federal Funds Rate	Contractionary Monetary Policy
The Money Multiplier (text updated to include information about zero reserve requirement and leakages)	Changing the Federal Funds Rate	The Math Behind Monetary Policy
Money Demand	Introduction to Expansionary Monetary Policy	Limitations of Monetary Policy (same as original module)
The Money Supply Curve	Introduction to Contractionary Monetary Policy	The Liquidity Trap (same as original module)
Interest - The Money Market	Expansionary and Monetary Policy	
Interest - Market Dynamics	The Math behind Monetary Policy	
Interest Rates and Asset Demand	Paying Interest on Reserves—Explained	
The Fisher Equation	Paying Interest on Reserves—Problem Solving	
	Limitations of Monetary Policy	
	The Liquidity Trap	

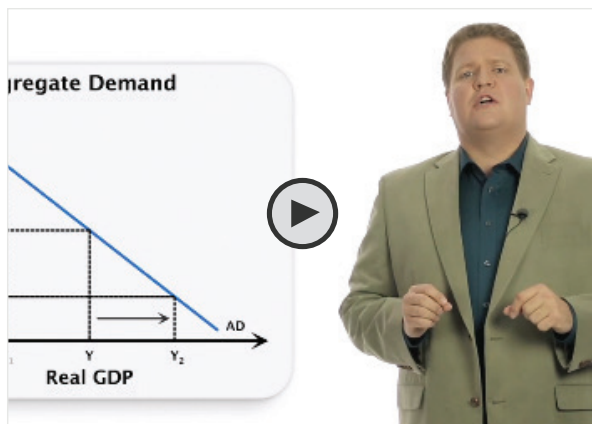
## Learning Engaged

Instead of lengthy chapters, content in Connect Master: Principles of Economics is organized into over 260 topics, each anchored by an engaging two-to-four minute, academically reviewed, professionally produced video featuring the authors, Carlos Asarta and Roger Butters, along with animations and graphs. All the videos are assignable in Connect Master (in addition to being integrated into the adaptive workflow) and have mirrored versions in Spanish.

### ⇒ NEW ⇐

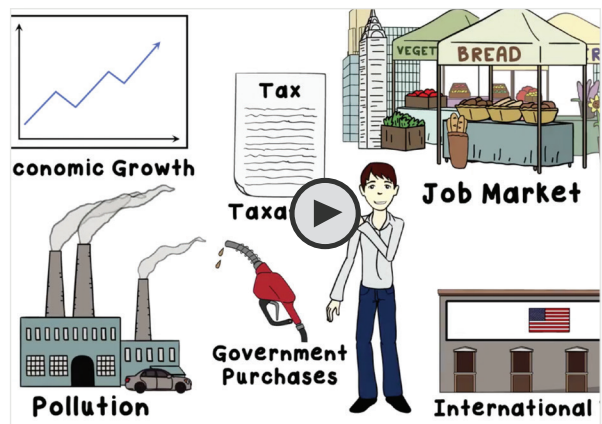
Now available in the adaptive learning experience and eBook are 800+ Worked Example videos featuring a diverse group of experienced female economics instructors that walk students through problems.

▶ Click the videos below to play



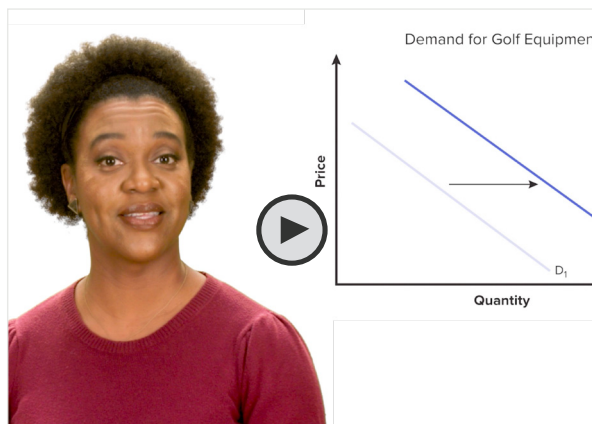
The video thumbnail shows a male instructor in a green blazer. To his left is a graph titled 'Aggregate Demand' with 'Real GDP' on the x-axis and an unlabeled y-axis. A downward-sloping blue line is labeled 'AD'. Two points are marked on the x-axis:  $Y_1$  and  $Y_2$ , with  $Y_2$  to the right of  $Y_1$ . A horizontal arrow points from  $Y_1$  to  $Y_2$ . A play button icon is overlaid on the graph.

Unemployment and Inflation»



The video thumbnail is a collage of economic concepts. It includes a line graph showing an upward trend labeled 'Economic Growth', a document labeled 'Tax', a gas pump labeled 'Tax', a market stall labeled 'Job Market', a factory with smokestacks labeled 'Pollution', a gas pump labeled 'Government Purchases', and a building with an American flag labeled 'International'. A play button icon is overlaid on the collage.

What is Economics»



The video thumbnail shows a female instructor with dark curly hair. To her right is a graph titled 'Demand for Golf Equipment' with 'Price' on the y-axis and 'Quantity' on the x-axis. A downward-sloping blue line is labeled  $D_1$ . A horizontal arrow points to the right, indicating a shift in the demand curve. A play button icon is overlaid on the graph.

Demand Shifts»



The video thumbnail shows a female instructor with blonde hair. To her left is a graph titled 'Individual and Market Supply of Soybeans' with 'Quantity (millions of tons)' on the x-axis. The x-axis has tick marks at 50, 100, 150, 200, 250, 300, and 350. Three upward-sloping lines are shown:  $S_{ND}$ ,  $S_{SD}$ , and  $S$ . A play button icon is overlaid on the graph.

Individual and Market Supply»



“This is exactly the product that today’s students need since this is how they learn. It is interactive and engaging for my students.”

—Mohammad Rahman,  
Shippensburg University

### Change in Supply

**Key Terms & Graph.**

- Change (Shift) in Supply
- Movement Along the Supply Curve

A change in the quantity of a good, service, or resource supplied due to a change in its price. Graphically, this change is represented as a movement along an existing supply curve.

In the figure above, a decrease in price from  $P_1$  to  $P_2$  causes a decrease in quantity demanded from  $Q_1$  to  $Q_2$ .

### Helpful Hints: Supply versus Quantity Supplied (long version)

A key lesson to learn on the subject of supply is the difference between changes in **supply** and changes in **quantity supplied**. There are many factors other than price that affect how much of a particular product producers are willing and able to supply to the market. Those factors include resource costs and availability, the number of sellers, expectations about market conditions, and technology. The supply curve focuses entirely on the **price** of the product and holds everything else constant. How firms adjust the quantity supplied of a good or service depends a great deal on what is changing—its price or a nonprice determinant.

Think of the market for portobello mushrooms. If the price of portobello mushrooms increases, all else held constant, the quantity supplied will increase as producers respond to the higher price. However, suppose a new fertilizer is discovered that doubles portobello production. The new fertilizer will increase the quantity supplied at every price, shifting the supply curve to the right from  $S_1$  to  $S_2$ .

So a change in price, all else held constant, generates a change in quantity supplied, not a change in supply. A change in supply occurs when a nonprice determinant of supply changes, which has the effect of shifting the entire supply curve to the right or left.

Supply of Portobellos

Supply of Portobellos

Increase in Supply Due to Change in Nonprice Determinant

### Worked Example: Change in Supply

**Problem Statement**

Consider the market for Granny Smith apples in Illinois. Suppose the initial supply schedule and supply curve are as shown in the table and graph below, with quantities in pounds of apples.

Price (dollars)	Initial Quantity of Granny Smith Apples Supplied (pounds)
3.00	500
2.50	400
2.00	300
1.50	200
1.00	100

**Part A**

Now suppose that unusually cold temperatures reduce by 50% the quantity of apples supplied at each price. Complete the new supply schedule in the table above.

Solution

**Part B**

Plot the new supply schedule on the graph, connect the dots, and label this new curve “ $S_2$ ”

Solution

## Interactive

Interactive learning resources supporting all videos include: Key Terms and Formulas, Worked Example Videos, Read About This eBook Links, Helpful Hints, Why This Matters applications.

## Adaptive

Videos and learning resources are delivered through the most advanced adaptive technology on the market, keeping individual students focused on what they need to learn, review, and practice. Through the adaptive workflow, students move efficiently through the content, encountering only the learning resources that are relevant to them, helping them work toward higher levels of mastery and critical thought. Accessibility and mobility were central to this latest update to enhance the experience for all students.

[Click here to see adaptive learning in action»](#)

**222K+**  
**students**

have used Connect Master: Principles of Economics since its launch.

## Top 3 Ways Students Benefit from Connect Master: Principles of Economics

- 1** Adaptive modules tailor content to meet each student where they are
- 2** Master covered the basics, so class time was more useful
- 3** Forced to do the work outside of class, students are more prepared in class

“Connect Master helped me study for class in a way I was never able to before. Before, I would carry around...a bunch of other materials, but with this, everything was in one place for me, ready to use.”

– Student at Waubensee Community College

“[Connect Master is] a good way to get exposure to, learn, and retain information... It is more interactive than a narrative-based chapter and... forces you to learn through the process.”

–Megan Kallis,  
Student at Colorado School of Mines

## Flexible

Over 260 distinct topics are presented at a granular level, providing flexibility for instructors to customize content to their courses for any school, at any level, and set to any depth. With a topic-level approach, instructors are able to handpick every aspect of the curriculum, to; concepts covered to sequencing, providing flexibility for instructors to tailor their courses in such a way that is appropriate for their specific needs as well as their students.

## Affordable

With student success at the forefront of our mission, digital access can be purchased in 6- and 12-month increments along with the optional loose leaf print companion. Additionally, student access and affordability of course materials can be accomplished with Inclusive Access, to deliver digital learning resources to students at a reduced cost on or before the first day of class.

### Top 3 Reasons

Professors Adopt  
Connect Master:  
Principles of Economics

- 1 Videos and interactive learning resources instead of narrative
- 2 Flexible topic-based approach that is modular and customizable
- 3 Adaptive functionality

Select Content

Use the checkboxes to specify topic and sub-topics to include in your assignment. You can use the slider to modify the estimated time, and number of concepts for the assignment. If you manually select concepts, moving the slider afterwards may change your selection.

- Elasticity (Standard Percentage Change Formula) 49 of 59 concepts selected
  - Elasticity 1 of 1 concept selected
  - Price Elasticity of Demand 3 of 4 concepts selected
  - Elastic, Inelastic, and Unit Elastic Demand 2 of 3 concepts selected
  - Linear Demand and Price Elasticity 5 of 6 concepts selected
  - Elasticity of Demand and Total Revenue 3 of 4 concepts selected
  - Determinants of Elasticity - Demand: Substitutes and Income 4 of 5 concepts selected
  - Determinants of Elasticity - Demand: Necessities, Luxuries, and Time 2 of 3 concepts selected
  - Cross-Price Elasticity of Demand for Substitutes 7 of 8 concepts selected
  - Cross-Price Elasticity of Demand for Complements 7 of 8 concepts selected
  - Income Elasticity of Demand 3 of 4 concepts selected
  - Price Elasticity of Supply 4 of 5 concepts selected

Assignment Scope: 59 - 88 minutes, 49 concepts (max. 250)

0 of 9

Multiple Choice Question

Any place where - or mechanism by which - buyers and sellers interact to trade goods - services - or resources is called a(n)

- market
- opening
- system
- store

[Need help? Review these concept resources.](#)

Rate your confidence to submit your answer.

High Medium Low

4 of 65 Concepts completed

Your Answer

Before moving on, you must review a resource for this question.

A situation in which the quantity of output demanded is greater than the quantity of output supplied at the current market price is called a

Blank 1

Correct Answer

Blank 1: shortage or deficit

Select a concept resource to continue.

- View: Helpful Hints: Shortages versus Excessive Items
- Practice: Worked Example 1: Disequilibriums—Surpluses and Shortages
- Practice: Worked Example 2: Disequilibriums—Surpluses and Shortages
- Watch: Topic Overview
- Assignment Resources

Student Engagement and Course Grades Improve with Connect Master, Adaptive Learning Assignment and Inclusive Access.

Click to view, Cuyahoga Community College Case Study

Cuyahoga Community College Case Study

Connect Master, Adaptive Learning Assignment, and Inclusive Access

Student Engagement and Course Grades Improve with Connect Master, Adaptive Learning Assignment, and Inclusive Access

The Study

Study Specifics

School Name: Cuyahoga Community College

Course Name: Principles of Microeconomics

Delivery: Online with Inclusive Access

Program: Cuyahoga Community College with Principles of Economics by Carlos Darian and Roger Sayers

LMS Integration: Blackboard

## Evergreen

Content and technology are ever-changing, and it is important that you can keep your course up to date with the latest information and assessments. Connect Master: Principles of Economics is evergreen, which means it is continuously evolving and relevant, with content updates delivered directly to your existing Connect course. Engage students and freshen up assignments with up-to-date coverage of select topics and new questions, all without having to switch editions or build a new course.

## Easy Set-Up & Support at Every Step

Connect Master: Principles of Economics users teach face to face, online, and in hybrid models; regardless of teaching model, you won't have to go through implementation alone. Resources including our Support at Every Step program, a detailed Instructor's Teaching Guide, sample syllabi, Digital Faculty Consultants, and the authors are all at your fingertips to make transitioning as seamless as possible. It is our goal to help reduce startup costs and ensure new users get the support needed to have a successful experience with Connect Master: Principles of Economics.

### Most Used Resources in the Accompanying Instructor's Guide

- 1 Classroom Worksheets
- 2 Flexible Course Activities
- 3 Video Overviews and Additional Examples

## Additional Resources Available

### Core Content

- English and Spanish Videos
- Adaptive Learning Assignment
- eBook in Connect and via McGraw Hill's ReadAnywhere® app (offline & mobile)
- Print Companion
- Adaptive Econ Prep: Math and Graphing
- Polling

### Assessments

- Exercises (many algorithmic)
  - Multiple Choice
  - Graphing
  - Numeric Response
- Additional Resources (varies by module)
  - Interactive Graphs with Real Data
  - Economics and Ethics Discussion Questions
  - TUCE (Test of Understanding in College Economics) Questions
  - MobLab Companion Questions
- Test Bank (including algorithmic and graphing questions)
- Application-Based Activities
- Newsflash Activities
- Writing Assignment

### Instructor Teaching and Implementation Resources

- Instructor's Teaching Guide
- Connect Content Matrix
- PowerPoint Presentations
- Discussion and Clicker Questions
- Course Activities and FRED Exercises
- Worksheets
- Application-Based Activities Teaching Notes
- Guide to Adaptive Learning Reports
- Test Builder
- Bonus Chapter: COVID-19
- Writing Assignment Tools
- ECON Everyday Blog
- Proctorio Remote Proctoring and Browser Locking Capabilities
- Polling Quick Start Guide





“Having the course content presented through videos rather than a traditional textbook was a big selling point for me.”

—Dr. Michelle Hampton,  
Instructor at Cuyahoga Community College

## We Take Students Higher

As a learning science company, McGraw Hill creates content that supports higher-order thinking skills. This chart shows a few of the key assignable economics assets aligned with Bloom's Taxonomy.

	Adaptive Learning Assignment	Adaptive Econ Prep	Videos	Exercises	Interactive Graphs	Application-Based Activities	Newsflash Activities & ECON Everyday Blog*	Writing Assignments
Create								✓
Evaluate						✓	✓	✓
Analyze				✓	✓	✓	✓	✓
Apply		✓	✓	✓	✓	✓	✓	✓
Understand	✓	✓	✓	✓	✓	✓	✓	✓
Remember	✓	✓	✓	✓	✓	✓	✓	✓

\*Outside of Connect



## About the Authors



**Dr. Carlos J. Asarta** is Professor of Economics, the James B. O'Neill Director of the Center for Economic Education and Entrepreneurship, Co-Director of Education and Outreach for the FinTech Innovation Hub, and the Faculty Athletics Representative at the University of Delaware. Professor Asarta is also the President of the Delaware Council on Economic Education and Editor-in-Chief of *The American Economist*. He holds master's and PhD degrees in economics from the University of Nebraska-Lincoln. His scholarly work focuses on the areas of economic education, technology in the classroom, and financial literacy. His research has been published in academic journals such as the *AEA Papers and Proceedings*, *Journal of Economic Education*, *Internet and Higher Education*, and *Decision Sciences Journal of Innovative Education*. Dr. Asarta is the recipient of several teaching, service, and research awards, including the Henry H. Villard Research Award from the National Association of Economic Educators, the Lerner College Outstanding Outreach/Service Award from the University of Delaware, and the Association of Students of the University of Nebraska Outstanding Educator of the Year award.

Dr. Asarta narrated many of the English-language videos and all the Spanish-language videos. He is lead author for the microeconomics content of Asarta/Butters.



**Dr. Roger B. Butters** is the Walter Williams Chair in Free Market Economics and an Associate Professor of Economics at Hillsdale College. He received his B.A. in Economics and Portuguese from Brigham Young University, a M.S. from the Marriot School of Management, and M.S. and Ph.D. in Economics from the University of California, Davis. An accomplished author, Dr. Butters has published articles on the assessment of knowledge, teacher education, online vs. paper and pencil testing, and real-estate spill overs, to name a few. He is the author of the first ever all digital product for teaching economics at the college level and has also authored several standardized tests for measuring economic knowledge. Roger has received many awards recognizing his work, including the Phillip Saunders "Best Research Paper" award, and the "Rising Star" award, to name a few. The former President of the Nebraska Council on Economic Education, he was given the title of "Admiral" in the "Navy of the Great State of Nebraska" for his work promoting economic literacy.

Dr. Butters is the lead author for the macroeconomics content of Asarta/Butters.

## Table of Contents

- Fundamentals
- Institutions and the Marketplace
- Demand
- Supply
- Market Equilibrium and Policy
- Market Efficiency
- Elasticity
- Market Failures
- Consumer Choice
- Production
- Perfect Competition
- Pure Monopoly
- Monopolistic Competition and Oligopoly
- The Demand for Resources
- Resource Prices and Utilization
- Public Finance
- Measuring Output and Income
- Economic Growth
- Business Cycles, Unemployment, and Inflation
- Aggregate Expenditures Model
- Aggregate Demand and Aggregate Supply
- Fiscal Policy
- Money
- Monetary Policy - Traditional Approach
- Competing Views in Macroeconomic Theory
- International Trade
- International Finance
- Monetary Policy - Ample Reserves Approach



connect<sup>®</sup>MASTER

# Principles of Economics

Asarta | Butters

*[mheducation.link/connectmaster](https://mheducation.link/connectmaster)*

**Contact your rep for more info or a demo:**

*[mheducation.link/rep](https://mheducation.link/rep)*

**Learn more about McGraw Hill Service and Support:**

*[mheducation.com/highered/support](https://mheducation.com/highered/support)*