



University of California, Santa Barbara  
Program Learning Outcomes

**B.A. in Economics or Economics and Accounting**

***Students graduating with a B.A. in Economics OR Economics and Accounting should be able to:***

**Microeconomics**

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1. Be able to conceptualize consumers and firms as attempting to maximize some objective function subject to a feasibility constraint, and be able to understand the equalization of marginal benefits and marginal costs as optimality conditions.
  - a. Describe preferences and production technologies using mathematics.
  - b. Apply optimization models to consumer, producer, and market theories.
  - c. Use game theory to analyze different market structures, the strategic behavior of individuals and firms, and problems associated with asymmetric information.
2. Using the concept of equilibrium, predict how changes in fundamental factors affect economic outcomes.
  - a. Find a competitive equilibrium given a mathematical representation of demand and supply.
  - b. Show how a change in factors determining demand and supply affect the competitive equilibrium.
  - c. Find the profit maximizing solution for a monopolist given a mathematical representation of demand and marginal cost.
3. Use the aforementioned microeconomic tools and concepts to explain market outcomes and policy choices as they apply to a wide range of markets and environments. Examples include the effect of minimum wages on employment, the incidence of excise taxes, the use of marketable pollution permits to control pollution, and the effect of Social Security on private saving.

**Macroeconomics**

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4. Recognize that in the short-run the macro economy is characterized by business cycle fluctuations.
  - a. Explain the National Income and Product Accounts using product, expenditure, and income approaches.
  - b. Quantify unemployment and explain its important role in business cycle fluctuations.
  - c. Explain the roles of fiscal and monetary policy for dealing with short-run fluctuations.

***Continued on page 2***

**University of California, Santa Barbara**  
**Program Learning Outcomes, continued**

5. Recognize that in the long-run economic growth depends on savings and investment decisions, comparative advantage and the gains from trade, human capital accumulation, and technological change.
  - a. Use intertemporal choice models to analyze savings and investment choices.
  - b. Measure present value and future values.
  - c. Use macroeconomic growth models to explain the roles of savings and investment decisions, comparative advantage and the gains from trade, human capital accumulation, and technological change for long-run economic growth.

**Econometrics**

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6. Use simple econometric techniques to analyze economic data and communicate the results.
  - a. Quantify uncertainty using probability theory.
  - b. Measure economic quantities.
  - c. Use linear econometric models to analyze economic data.

***In addition, students graduating with a B.A. in Economics and Accounting should be able to:***

**Accounting**

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7. Understand how the formation of the accounting database affects firm behavior and the perception of the firm by current and potential investors and creditors.
  - a. Use the Financial Accounting Standards Board Accounting Standards Codification to answer complex accounting questions.
  - b. Journalize and post transactional data using an accrual basis system and translate that data into financial statements.
  - c. Use financial statements to develop expectations of future firm performance and make informed operating, investing and financing decisions based upon those expectations.
  - d. Explain how and why the International Financial Reporting Standards diverge from U.S. Generally Accepted Accounting Standards.
8. Be able to differentiate between the Economics and Accounting models.
  - a. Describe the relevant short and long run costs for firm level decision making.
  - b. Explain the difference between profit and net income.
  - c. Explain the difference between the non-linear models used in Economics and the linear approximations used in Accounting applications.