

VEE–Economics

The following guidelines for the Validation by Educational Experience (VEE) requirement for Economics will be used by the VEE Administration Committee to determine whether specific courses or educational experiences are appropriate to fulfill the VEE requirements. Details about submitting a course for approval as well as obtaining individual VEE credit are provided at the beginning of this section on VEE. The “Directory of Approved VEE Courses/Experiences” and the “Standardized Exams and Other Educational Experiences” are available in the “VEE Information” section of the CAS Web Site.

Typically, the VEE requirement for Economics will be met if a candidate has completed two economics courses, one course covering microeconomics and the other covering macroeconomics. Most of the topics listed below should be covered:

Microeconomics

1. Interaction between supply and demand in the provision of products and the way in which equilibrium market prices are determined
2. Elasticity of demand and supply and the effects on a market of different levels of elasticity
3. How rational utility maximizing agents make consumption choices
4. How profit-maximizing firms make short-run and long-run production choices
5. Different types of competition, or lack of it, and the practical effects on supply and demand

Macroeconomics

1. Structure of public sector finances of an industrialized economy
2. GDP, GNP, and Net National Product. How these concepts are used in describing the economy and in making comparisons between countries, and the limitations of these concepts
3. Propensity to save or to consume by the private sector of the corporate sector and how it affects the economy
4. Impact of fiscal and monetary policy and other forms of government intervention on different aspects of the economy, and in particular financial markets
5. Role of exchange rates and international trade in the economy and the meaning of the term balance of payments
6. Major factors affecting the rate of inflation, the level of interest rates, the exchange rate, the level of unemployment, and the rate of economic growth in the economy of an industrialized country