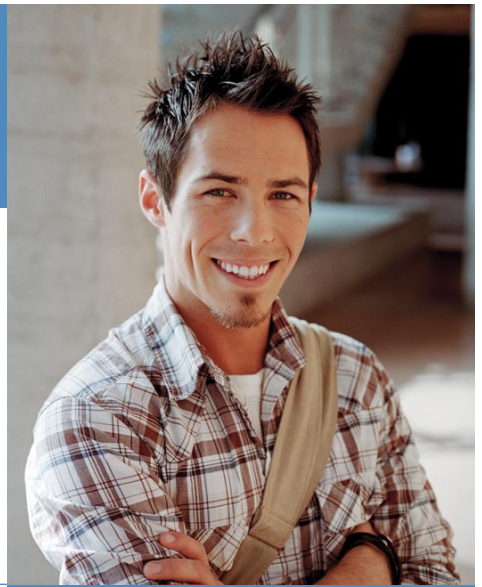


We Invite You to **Take a Closer Look ...**

How can you take your **Economics** program to the **next level?**

Assess your students with
ETS's **Major Field Test.**



Content Validity

The **Major Field Test in Economics**, first administered in 1989, assesses mastery of concepts, principles and knowledge by senior-level undergraduates. To ensure fairness and content relevance, the test is revised approximately every five years.

Developed by Leading Educators in the Field

Experienced faculty members representing all the relevant areas of the discipline determine test specifications, questions and types of scores reported. ETS assessment experts subject each question to rigorous tests of sensitivity and reliability. Every effort is made to include questions that assess the most common and important topics and skills.

In addition to factual knowledge, the test evaluates students' abilities to analyze and solve problems, understand relationships and interpret material. Questions that require interpretation of graphs, diagrams and charts are included. Academic departments may add up to 50 additional locally written questions to test areas of the discipline that may be unique to the department or institution.

National Comparative Data

A Comparative Data Guide, published each year, contains tables of scaled scores and percentiles for individual student scores, departmental mean scores and any subscores or group assessment indicators that the tests may support. The tables of data are drawn from senior-level test takers at a large number of diverse institutions. More than 800 colleges and universities employ one or more of the Major Field Tests for student achievement and curriculum evaluation each year.

Who develops the MFT in Economics?

Individuals who serve or have recently served on the Committee for the MFT in Economics are faculty members from the following institutions:

Davidson College
Mississippi State University
Northeastern University
Oberlin College
University of Wisconsin
Villanova University

For more information about the MFT in Economics:

Phone: 1-800-745-0269
Email: highered@ets.org
Visit: www.ets.org/mft

Educational Testing Service
Rosedale Road
Princeton, NJ 08541



**Major Field
Tests**

Listening. Learning. Leading.®

This test contains 90 multiple-choice questions, some of which are grouped in sets and based on such materials as diagrams, expository paragraphs, sets of equations, and tables of data. Departments or schools choose when and where to administer the tests. It is designed to take 2 hours. The content categories and approximate distribution of questions among them are outlined below.

- I. Introductory Concepts (1–4%)
 - A. Scarcity
 - B. Opportunity costs and production possibilities
 - C. Incentives and property rights
 - D. Economic modeling
- II. Microeconomics (42–47%)
 - A. Supply and Demand
 - 1. Market equilibrium
 - 2. Consumer and producer surplus
 - 3. Comparative statics
 - B. Elasticity
 - 1. Demand elasticity (price elasticity; income elasticity; cross-price elasticity; price elasticity, marginal revenue and total revenue)
 - 2. Supply elasticity
 - C. Consumer Theory
 - 1. Utility function and indifference curve analysis
 - 2. Budget constraint
 - 3. Utility maximization
 - 4. Income and substitution effects
 - 5. Individual and market demand
 - D. Production Theory
 - 1. Production Function (short-run; long-run)
 - 2. Accounting vs. Economic Costs
 - 3. Short-run costs
 - 4. Isoquant and isocost analysis (static equilibrium; effects of changes in factor prices; factor substitution)
 - 5. Long-run costs (returns to scale; returns to scope)
 - E. Market Structures
 - 1. Theory of the firm and transaction costs
 - 2. Concept of profit maximization
 - 3. Perfect competition
 - 4. Monopoly
 - 5. Monopolistic competition
 - 6. Oligopoly and game theory
 - 7. Efficiency and welfare
 - F. Factor Markets
 - 1. Marginal revenue product and labor demand
 - 2. Labor supply
 - 3. Labor markets (competitive market; monopsony)
 - 4. Capital market
 - 5. Economic rent
 - 6. Income distribution
- G. General Equilibrium and Welfare Analysis (Edgeworth Box; Pareto Optimality)
- H. Government Intervention
 - 1. Price ceilings and price floors
 - 2. Taxes and subsidies
 - 3. Regulation and anti-trust laws
 - 4. Externalities
 - 5. Public goods
 - 6. Public Choice Theory
 - 7. Equity
- I. International Trade
 - 1. Absolute and comparative advantage
 - 2. Trade restrictions – tariff and non-tariff
- J. Information Economics
 - 1. Risk and uncertainty
 - 2. Asymmetric information
- III. Macroeconomics (38–43%)
 - A. Circular Flow
 - B. Economic Measurement
 - 1. GDP (accounting methods – expenditure, income, and value added; real and nominal; business cycles)
 - 2. Price indices and inflation
 - 3. Labor force and unemployment
 - C. Aggregate Demand and Aggregate Supply Analysis
 - 1. Aggregate demand (definition and components; derivation)
 - 2. Aggregate supply (definition; short-run; long-run)
 - 3. Macroeconomic equilibrium (wage and price flexibility; role of expectations; classical model; short- and long-run equilibrium; short- and long-run Phillips Curves)
 - 4. IS/LM analysis
- D. Money and Financial Markets
 - 1. Definition and role of money
 - 2. Supply of money (definitions; commercial banks/financial institutions; role of central bank authority; deposit creation)
 - 3. Demand for money
 - 4. Money market equilibrium
 - 5. Interest rates and present value
 - 6. Quantity theory of money
 - 7. Loanable funds market
- E. Macroeconomic Policy Analysis
 - 1. Policy objectives
 - 2. Fiscal policy
 - 3. Monetary policy
 - 4. Economic policy in an open economy
- F. Economic Growth and Development
 - 1. Sources of economic growth
 - 2. Solow model
 - 3. Convergence
 - 4. Growth policies
- G. International Finance
 - 1. Balance of payments accounts
 - 2. Exchange rates and capital flows (flexible exchange rates; fixed exchange rates)
- IV. Statistics and Econometrics (10–15%)
 - A. Concepts of probability
 - B. Descriptive statistics
 - C. Hypothesis testing
 - D. Regression analysis
- V. Quantitative Analysis (25–30% across all content areas)

How scores for the Economics Major Field Test are reported

Total Score—Reported for each student and summarized for the group

Subscores—Reported for each student and summarized for the group

- Microeconomics (41)
- Macroeconomics (35)

Assessment Indicators—Reported for the group* only

- Quantitative Analysis (25)
- International Issues (11)

Numbers in parentheses are the approximate number of questions in each category

* A minimum of five (5) students is required for assessment indicators to be reported