Course Title: Introduction to Economics: Macroeconomics
Course Number: ECON 202
Credit Hours: 5
Prerequisites: 30 prior college credits recommended.
Meeting times: Monday, Wednesday, Friday; 11:00 am-12:25 pm

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Textbook: <u>Macroeconomics</u>, 8th ed., Colander
Supplementary material: Practice test package

Course description: Presents major theories of business cycles and economic growth. Students examine economic policies aimed at controlling inflation and unemployment in an industrialized capitalist nation as well as factors in international trade and monetary flows. It may also cover the development policies of underdeveloped countries.

Course Outcomes
By the end of the quarter, students will be able to do the following:
- Correctly identify reliable sources and be able to calculate the primary summary statistics used to evaluate macroeconomic performance: real GDP, unemployment rates, inflation measures, labor productivity, money measures, interest rates, and the federal budget position. Have the ability to read and interpret the reasonableness of these data as presented in charts and tables.
- Understand the key components (consumption, investment, government expenditures and net trade) of GDP for an open, mixed economy and how these relate to the flow of resources, national income and goods through an economy.
- Identify and describe the processes a central bank uses to implement monetary policies
- Identify and describe the components of fiscal policy as enacted by the federal government
- Evaluate policies, within different time horizons, for their influence on business cycles, long-run growth, productivity and for various responses to external shocks to the economic system (growth and stability)
- Understand how the internationalization of our economy has changed the outcomes and choices of our domestic economy (including exchange rates, trade in goods and factors)

In addition, students may be introduced to a subset of the following:
- Explain the evolution of US capitalism from the Great Depression to the present and identify the major events that contributed to shifts in economic policy.
- Role of expectations, risk and uncertainty in modifying outcomes of actions, especially with respect to consumption and tax policies
- Short-term trade-offs of Phillips curve, Okun's and Gresham's Laws, and Taylor Rule
- An awareness of the competing macro theories and models
- A comparison of summary statistics with other countries' performance
- A discussion of how such measures, outcomes, and policies would be adjusted for lesser-developed countries

"2" in General Education ratings for "critical thinking" and for "Quantitative and Logical Reasoning" and "Writing" as well as 1s in 7 other areas.

Course topics to be covered:

Topic	Chapter	Topic	Chapter
Overview		AS-AD	
Introduction	1	Aggregate Demand	10
Macro vs Micro		Aggregate Supply	10
Scarcity & Choice	1	AS & AD	10
Opportunity Costs			
Positive vs Normative	1	Aggregate Expenditure Model	
Production Possibilities	2	Consumption	10
Production Constraints		MPC	
Comparative Advantage	2, 19	Consumption Equation	
Supply & Demand	4	Determinants	11
Economic Systems	3	Investment	10
Capitalism		Determinants	
Capitalism Characteristics		Planned Investment	
Socialism		Equilibrium Output	11
Socialism Characteristics		Multiplier	11
Public Sector		Aggregate Expenditure Model	
Reasons for Government	2	Government	x
Public goods		Fiscal Policy	10,11
Negative Externalities		Recessionary Gap	
Positive Externalities		Classical vs Keynesian	
Market Regulation		Inflationary Gap	
Equality			
Economic Stability		AS-AD	
Government Expenditure	3	Long Run AS & AD	10
Government Cash Inflow	3	Supply Side Economics	x
Federal		Laffer Theory	
State			
Local		Midterm 3	
Midterm 1			
		National Debt	
		National Debt & Budget Deficit	17
National Income Accounting		Concerns	17
GDP	8	BD & Recession	17
Components			
GDP Measurement Problems	8	Money & Banking	
GDP & Inflation		Money	13
		Functions	
Business Cycle		History	
Business Cycle	7		
Stabilization		Federal Reserve	
		Money Supply	14
Unemployment		Money & Interest Relation	14
Unemployment	7	Monetary Policy	14
Measurement			
Types		Final (cumulative)	
Work Incentive			
Inflation			
Inflation	7,16		
CPI			
GDP Deflator			
Inflation & Wages			
Inflation & Interest Rates			
Concerns			
Midterm 2			

Approximate exam dates:
   Midterm 1; Jan. 30 (tentative)
   Midterm 2; Feb. 13 (tentative)
   Midterm 3; Mar. 8 (tentative)
   Final; Mar. 18
Approximate paper due dates:
   Paper 1; Jan. 14 (tentative)
   Paper 2; Feb. 4 (tentative)
   Paper 3; Mar. 1 (tentative)

Number of exams: 4
Types of exams: Multiple choice
Other graded material/assignments: 3 papers
Percentage points for course grade:
   Midterm 1;   16%
   Midterm 2;   16%
   Midterm 3;   16%
   Final;   26%
   Paper 1;   7%
   Paper 2;   7%
   Paper 3;   7%
   Class participation;   5%
   Total percentage points;   100%

Makeup exams: One makeup test is allowed by arrangement prior to the missed test, but one point will be deducted from the score. If a midterm is missed without prior arrangement, that test grade will be replaced with a grade 1.0 lower than the lowest grade of the other 3 tests (2 midterms and final). The final must be taken in order to receive credit for the course.

Cheating on an exam will result in a failing grade for the class.

Example calculations of course grade:
This person got a 2.5, 3.2, and 2.7 on the 3 midterms, 2.5 and 3.5 on the papers, 3.4 on the final, and a 3.0 for class participation. The course grade is calculated as:

$$\text{midterms} \qquad \text{papers} \qquad \text{final} \quad \text{participation}$$
$$.16 \times (2.5 + 3.2 + 2.7) + .105 \times (2.5 + 3.5) + .26 \times 3.4 + .05 \times 3.0 = 3.0$$

Decimal-letter grade conversion

3.8 - 4.0	a		1.8 - 2.199	c
3.5 - 3.799	a-		1.5 - 1.799	c-
3.2 - 3.499	b+		1.2 - 1.499	d+
2.8 - 3.199	b		0.8 - 1.199	d
2.5 - 2.799	b-		0.5 - 0.799	d-
2.2 - 2.499	c+			