

ECONOMICS 201: Fall 2009
INTRODUCTION TO MACROECONOMICS

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TEXT

P. Krugman and R. Wells, Macroeconomics (2e)

For textbook deals and student aids, see http://bcs.worthpublishers.com/krugmanwells_macro2

P. Rivoli, Travels of a T-Shirt in the Global Economy, (2e)

S.D. Levitt and S.J. Dubner, Freakonomics (extra credit)

Both Rivoli and Levitt are paperback and available in bookstores and thru the web.

COURSE OVERVIEW: The course focuses on the theories and policies used to describe and direct an entire economy. During the term a macroeconomic model or theory will be developed and its policy implications discussed and contrasted. By the end of term, the student should be (1) familiar with the basic vocabulary and concepts of macroeconomics (2) able to utilize basic macroeconomic concepts to determine price, interest, employment and income (3) explain the effects of monetary and fiscal policies and evaluate the impact of different macroeconomic policies.

ASSIGNMENTS: Assignments and class work are announced in class and posted on Blackboard. Tests are based on class materials, text problems and homework assignments. Assignments and tests are discussed and returned in class. All course work retained by the instructor will be destroyed three weeks after the final examination.

PROCEDURES: Email is the normal out-of-class communication method. Use ECON201 as the email subject. Because of phone tag problems, phone calls usually are not returned.

Students are absent at their own risk, no absence is excused except for "Acts of God." Assignments are considered "late" when not submitted when collected. Email submission of assignments is not permitted. Late assignments are nominally graded at 20%. Makeup work is allowed only for "Acts of God." Most problems can be resolved before rather than after some assignment is due.

WHEN IN DOUBT REGARDING CLASS ACTIVITIES OR PERFORMANCE
CONTACT THE INSTRUCTOR.

The classroom is not a phone booth or cafeteria, nor is it a day care or pet center. Before entering the classroom turn off cell phones; dispose of solid foods and secure alternative dependency management facilities. Lates or early exits should not be disruptive. Written work should reflect individual student effort. Assignments that are copied or plagiarized or reports and papers that are submitted without proper indication of source are graded zero.

Recommendation letters and external evaluations reviewing relative class performance will be provided upon request.

READING (15% of grade): Aspects of “Travels of a T-Shirt” will be reviewed in lectures and periodic question sets will be assigned. Major points could be included as test questions.

EXTRA CREDIT READING (up to 0.3 final grade points): Reflective review of “Freakonomics.” Cover major ideas and implications for the present day; indicate reactions and how the book affected your knowledge and views about economics and influenced your present and expected economic life. 4 to 6 pages; typed in good form. Due last class lecture.

TESTS and QUIZES (70% of grade): Usually 50 points each; based on materials discussed in class, study questions, handouts, and homework, are short answer and problem oriented.

HOMEWORK (15% of grade): Usually 5 points each; primarily based textbook problems and class handouts. Grading is selective with an emphasis on own work and effort.

Homework grading: 6 = More than perfect [very rare]; 5 = Perfect; 4 = Good job, some omissions; 3 = OK, errors and omissions; 2 = Incomplete, not trying; 1= Name on paper

GRADE DETERMINATION:

TQ (tests & quizzes) = 70* points earned/max points possible.

H (homework) = 15* points earned/max homework points.

R (reading) = 15* points earned/max reading points.

Course grade = $([TQ+H+R]/10 - 5) + \text{extra reading points}$.

LECTURE OUTLINE (Tentative; Subject to Change)

1. Foundations and macro concepts.
 - a. Introduction, basic concepts, supply and demand
Chapters 1, 2, 4
 - b. Macro system, national income accounting, financial system
Chapters 6, 7, 10
Test 1

2. Macro issues, Keynesian model
 - a. Unemployment, Inflation, Growth
Chapters 8, 9
 - b. Expenditure model,
Chapters 11, 12, 13
Test 2

3. AD & AS model, policy
 - a. Aggregate supply and demand, fiscal policy
Chapters 12, 13
Quiz 1
 - b. Monetary model, banking, monetary policy
Chapters 14, 15
Quiz 2

6. Macro Analysis and Policy

Chapters 16, 17
Reading paper due
Test 3 [Final]