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Economics Courses | Business Administration, College of

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(2) Sample Syllabus: Econ 2004

Joseph Daniels

PRINCIPLES OF MACROECONOMICS – ECON2004

Spring Semester 2010

Instructor: Joseph Daniels
Office: DS 414
Office Hours: Tu 9:00 - 10:30
W 12:45 - 2:45
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Section: 104
11:00-12:15 TTH
DS375
Assistant: David Keppen
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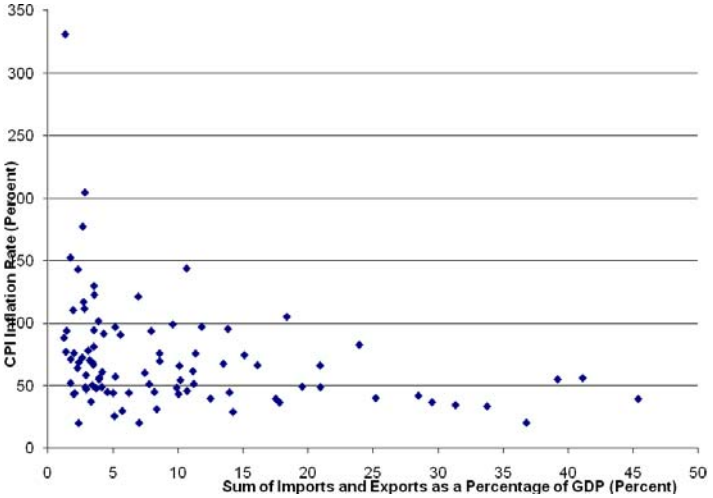
Hours:



OFFICE HOURS: The above hours are "walk in" hours for undergraduates. No appointment is necessary for the times listed. If you must see me at another time, please email first to make an appointment.

CELL PHONES AND RECORDING DEVICES: Cell phones, other communication devices, and recording devices are strictly prohibited from the classroom. If for some reason you believe you need a cell phone, make sure it is turned off and put away.

TEXT: Colander, *Macroeconomics, Eighth Edition,* McGraw-Hill Irwin Publishing.

INTERACTIVE STUDY TOOLS: The text is supported through the McGraw-Hill website http://www.mhhe.com/colander8e. I strongly encourage students to incorporate this in their studies, especially to practice for the exams.

***Wall Street Journal/Financial Times*:** I strongly urge each of you to subscribe to a leading business and policy paper such as the *Journal* or the *Times*. They are excellent sources on economic events and business information. I draw from and refer to these publications, especially the *Financial Times*, in my lectures.

COURSE DESCRIPTION: In this course, students will examine national income accounting and aggregate price level measurement. Theories of income, employment, and prices will be developed. Particular attention will be given to institutions and policies and their impact economic behavior and the macroeconomy.

COURSE OBJECTIVE: The general objective of this course is to stimulate an interest in, and awareness of, macroeconomic issues and policies. Consistent with the learning objectives for this course, the student is expected to understand and build upon economic tools and use these tools to critically analyze macroeconomic problems. A complete understanding of economic theories and their ***application*** to current problems is required of the student.

The greatest difficulty students have in the principles of economics is moving beyond understanding economic concepts to actually ***applying*** these concepts to solve problems. Practicing problems on the web site and at the end of each chapter is the best way to learn how to apply the concepts covered in this course.

LEARNING OBJECTIVES: The Department of Economics and the College of Business Administration have established learning objectives for students in economics courses. The relevant learning objective of the Department of Economics is:

"Understand and apply the standard analytical tools of applied economic analysis."

The relevant College of Business learning objectives are:

"Use critical thinking skills in business situations"

"Analyze the global business environment and analyze the local business environment"

COLLEGE OF BUSINESS ADMINISTRATION ASSESSMENT STATEMENT: The fundamental mission of the College of Business Administration is to provide a quality education grounded in Catholic, Jesuit intellectual values. Students are expected to learn how to function effectively in a diverse and global economy and develop into responsible members of the business community. As one of many methods of assuring that the goals of our educational mission are successfully met, the college regularly and systematically engages in the assessment of these competencies. Students in the Bachelor of Science in Business Administration program are assessed on their ability to reason ethically, communicate effectively, analyze critically, and understand local, national and global business and cultural issues.

Assessment takes place each semester in all programs and settings using quantifiable measures to gather and analyze information to help continuously improve the educational process. The College of Business Administration is dedicated to successfully providing a quality education for all students. Assessment is the continuous improvement process of evaluating our success. More information on assessment can be found at (http://www.marquette.edu/assessment/) or (http://www.busadm.mu.edu/undergraduate/LearningObjectives.shtml)

PREREQUISITES: There are no prerequisites for this course. However, the student is expected to have basic geometric and algebraic skills. Taking Econ2003 prior to Econ2004 is also helpful and recommended.

EXAMS: Three exams will be given in this class. Each exam is mandatory **and must be taken when scheduled**. The first two exams carry equal weight and are worth 25 percent (each) of your final course grade. The final exam is comprehensive and worth 30 percent of your final grade.

Examination questions are designed to test in three ways, the ability to understand and recall basic principles or definitions, explicit application of theories and models, and implicit application of theories and models. The difference between explicit and implicit application is that explicit questions disclose to the student the theories that are being tested whereas implicit questions require the student to realize on their own the appropriate theories or models to be applied.

During exams you are allowed the use of a number-2 pencil and a basic calculator provided by me. No other devices are allowed. You must have your student ID available during the exam.

HOMEWORK: Three homework assignments will be given. The average of the homework is worth 15 percent of your final grade. Homeworks will be provided in advance via the D2L site. **No homework assignment will be accepted late.**

ARTICLE ASSIGNMENTS: Three article assignments will be collected during the semester. The student is to find articles in the popular press (*The Economist, The Financial Times, Wall Street Journal*, and *Business Week*) that address concepts being taught in this class. These articles are to be summarized in a template that is available on the D2L site. The assignments are due on the dates specified below, as a printed hard copy, in class, and **will not be accepted late**. The article assignments are worth 5 percent of your final grade.

HOMEWORK, EXAM AND ARTICLE ASSIGNMENT DATES:

(Note that it is the instructor's discretion to alter this schedule if necessary.)

Article 1 – Due in Class, Thursday, February 11
Homework 1 – Due in Class, Tuesday, February 16
Exam 1 – Tuesday, February 23
Article 2 – Due in Class, Thursday, March 25
Homework 2 – Due in Class, Tuesday, March 30
Exam 2 – Thursday, April 8
Article 3 – Due in Class, Thursday, April 29
Homework 3 – Due in Class, Tuesday, May 4

Final Exam – Wednesday, May 12, 1:00 – 3:00
No exam may be taken early or late.

FINAL: ***The final examination must be taken when scheduled in order to receive a final grade.*** It will only be offered during its scheduled time and date. Therefore it is imperative that your schedule permit you to take the final at its scheduled time. Resolve your final exam schedule with your instructors at the **beginning** of the semester.

GRADING SCALE:

92 < A ≤ 100%
86 < A/B ≤ 92
80 < B ≤ 86
73 < B/C ≤ 80
66 < C ≤ 73
58 < C/D ≤ 66
50 < D ≤ 58
F ≤ 50

Final grades will be assigned based on your weighted-average score for the class, given the weights described above, and based on the scale provided above. Note that there is no "rounding" of the weighted-average score. Furthermore, note the inequalities given above. A score of, say, 90.8, for example, is not rounded to 91. Furthermore, it does not exceed 91, and therefore a final grade of AB would be assigned to the student.

MAKE-UP POLICY: NO MAKE UP EXAMS OR QUIZZES WILL BE GIVEN. If there is an *extreme emergency* due to which you cannot take one of the first two exams, and you notify me before the date of the exam, then you may substitute your score on the two-hour comprehensive final examination for the missed exam. This policy may be used only once. No exam may substitute for the final!

EXTRA CREDIT: No extra credit will be offered or accepted. Extra effort on the part of the student should be directed to exam, quiz, and homework preparation by using the study guide.

TUTORS: In addition to the assistance of the instructor and the teaching assistant for this course, the University offers tutoring through the tutorial program. This service is free and the schedule is posted on the web at http://www.mu.edu/oses/. Additional information can be found at the Office of Student Educational Services.

ACADEMIC HONESTY: If any student is caught cheating or violating the common rules of academic honesty, I will use every resource available to see that the disciplinary measures provided by

the University are applied to the fullest extent. Marquette University's policy on academic honesty can be found at: www.marquette.edu/rc/academichonesty.shtml

ATTENDANCE: The instructor reserves the right to invoke the attendance policy at any point during the semester. Experience shows that students who do not attend class faithfully do not achieve a high score. You decide how successful you want to be in this class by class attendance. The attendance policy of the College of Business Administration applies to all students taking this course and is available at:
http://www.marquette.edu/cur_students/documents/ugb_business.pdf

STUDENTS WITH A DISABILITY: If you have a disability, which is recognized by the University, which is recognized by the University, and you are asking for special consideration in the course because of your disability, please let me know in writing ASAP, and I will discuss your situation with you.

WITHDRAW POLICY: Friday, **April 16** is the last day to withdraw with an automatic "W." This is the date established by the University and will be adhered to with no exception.

EMERGENCY PLAN: Every Marquette University campus building has emergency shelter and evacuation plans. Please familiarize yourself with the plans of each building in which you take classes or attend meetings. Make sure to note the routes to the lowest level of the buildings for shelter during inclement weather, as well as exits from the buildings in the event of fire or other emergency.

IMPORTANT DATES:

Tuesday, January 19, Classes Begin
Sunday, March 14 – Saturday, March 20, Spring Break, No Classes
Thursday, April 1 – Monday, April 5, Easter Break
Wednesday, May 12, 1:00-3:00 p.m., Final Exam

TENTATIVE COURSE SCHEDULE

The following is a tentative schedule. Specific dates are not indicated in order to allow for flexibility in the presentation of course material. It is the responsibility of the student to know where we are in the schedule. If you are unsure of your reading responsibilities, just ask.

Lectures may expand on topics found in the text and introduce analysis and topics not found in the text. The same holds for the text as it may present material not covered in lectures. Hence, lectures and the text are complements, not substitutes. You should expect to make full use of the text material.

Part 1 - Introductory Concepts

Chapter 1 - Thinking Like an Economist

Marginal Cost – Marginal Benefit Analysis
Opportunity Cost

Chapter 2 - Trade

The Production Possibility Curve
Interdependence and the Gains from Trade
Comparative Advantage
Appendix A: Graphing

Note that Parts 1 and 2 will be covered rather quickly. Many topics are a review of microeconomics and, therefore, are left as the responsibility of the student.

Chapter 3 – Institutions

The Circular Flow Model
The Role of Governments
Market Failures

Part 2 – How Markets Work

Chapter 4 – Markets: Demand and Supply

Market Forces
The Market
Demand
Supply
Equilibrium

Chapter 4 will be covered quickly yet students will be tested on this material. Lectures will devote more time to applications in Chapter 5, especially currency markets.

Chapter 5 – Applications

Currency Markets
Price Controls
Taxes

Chapter 6 – The Approach of Economists

This chapter is left entirely to the student.

Part 3 – Measuring the Macroeconomy

Chapter 7 – Growth, Employment and Prices

Growth and Compounding
Unemployment
Inflation

Chapter 8 - Measuring a Nation's Income

Gross Domestic Product
Exports, Imports, and the Current Account
Real versus Nominal GDP

Chapter 6 – Measuring the Cost of Living

The Factors of Growth
Well-Being
Convergence

Part 4 – Modeling the Macroeconomy

Chapter 10 – Aggregate Supply and Demand

The AD-AS Model
Shifts in AD
Shifts in AS
The Long-Run AS Curve
AD Policy

Chapter 11 – The Multiplier Model

Expenditures
Equilibrium
The Multiplier
Appendix A: Algebraic Presentation of the Multiplier Model

Do not overlook the appendix to Chapter 11. Note that Chapter 12 is skipped.

Part 5 – The Financial Sector and Monetary Policy

Chapter 13 – The Financial Sector

Interest Rates
Definitions and Functions of Money
Central Banks
Money Creation
Interest Rate Determination

Recent and ongoing changes in Federal Reserve policy will be covered here.

Chapter 14 – Monetary Policy

How Monetary Policy Is Conducted
The Fed Funds Market
The Taylor Rule

Chapter 15 – Financial Crises

The Great Depression – The Great Recession
Leverage
Securitization
Derivatives
Bubbles

An examination of the 2008 – 2009 crisis will be covered here.

Chapter 16 – Inflation and Unemployment

Inflation and Wages
The Money Velocity Model
The Long-Run and Short-Run Phillips Curve
Deflation

Part 6 – Fiscal Policy

Chapter 17 – Deficits and Debt

Defining Deficits
Nominal and Real deficits
Financing Deficits
External Debt

Chapter 18 – Modern Fiscal Policy

Ricardian Equivalence
Crowding Out
Automatic Stabilizers

Part 7 – The International Sector

Trade and the Balance of Payments – Optional as time allows