

Chaminade University
Honolulu Hawaii 96816

EC 20102 Fall198
Princ. of Macroeconomics

Instructor: Barbara P. Street, Ph.D.
Office Hours: M,W,F 1:00 - 2:00 or by appointment
in Kieffer Hall Business Faculty Study,
cubicle CC ph: 739-4609

Ag

COURSE TITLE: Principles of Macroeconomics
TEXT: Stephen Slavin, Macroeconomics, 1998, 5th ed.
SUPPLEMENTARY READINGS: will be assigned throughout the
semester

COURSE DESCRIPTION: This course analyses the structure and operation of the American economy as a whole. Specific topics analyzed include the determination of the level of aggregate output, employment and prices; business cycles; the monetary and fiscal system; effects of monetary and fiscal policies on economic stability and growth, and international finance and the macro economy.

II. COURSE OBJECTIVES: Unemployment, inflation, recession, interest rates, deficits, are recurring headlines in our daily newspapers and magazines. This introductory economics course is designed to provide the foundation of economic knowledge that every person should have to understand the economic issues that confront us in our daily lives.

Specifically, the objectives are:

1. To introduce the student to the nature of economic problems and goals.
2. To familiarize the student with economic concepts and analysis required to deal with economic issues.
3. To familiarize the student with economic philosophies and theories that shape our economic thinking.
4. To introduce the student to major economic institutions and to examine how these institutions affect our economy.
5. To analyze policy options to achieve our macro-economic goals of economic stability and to discuss whether these policies achieve our economic goals.

III. MAJOR ASSIGNMENTS

1. Prompt and regular attendance is expected of all students. For each absence above 3, 5 points will be deducted from those allotted to attendance/participation (see grading).

2. Students are expected to keep up with the reading assignments as listed on the syllabus.

3. Students are expected turn in written homework assignments when due. Late work may not be accepted.
4. Students are expected to read economic articles in current news media to stay abreast of economic developments.

VI: GRADING POLICY

Course grades will be based on the following:

1st midterm	100 points
2nd midterm	100 points
3rd midterm	100 points
homework	100 points
attendance/participation	50 points
Final Exam	150 points
TOTAL	600 points**

**Dr. Street reserves the right to administer unannounced, "pop" quizzes throughout the semester. The number of total points will be increased by the number of points on such pop quizzes.

COURSE OUTLINE

Aug 31	Introduction to course.
Sept 2	Dealing with Scarcity
Sept 4	Reading Assignment: Text, chapter 2
Sept 9	What are the Laws of Supply and Demand?
Sept 11	Reading Assignment: Slavin Chapter 3
Sept 14	TO TURN IN: Workbook, Chap 2 and chap 2 appendix(omit problem 2, p. 48)
Sept 16	Different Types of Economic Systems
	Reading Assignment: Slavin chapter 4

II THE MAJOR SECTORS OF OUR ECONOMY

Sept 18	The Consumer Sector
Sept 21	TO TURN IN: Workbook, Chapter 3
Sept 23	Reading Assignment: Slavin, Ch. 5
Sept 25	The Business-Investment Sector
	Reading Assignment: Slavin ch. 6
	TO TURN IN: Workbook, -Chapter 5
Sept 28	The Government Sector: Government Spending
Sept 30	and Taxation

Oct 2 Reading Assignment: Slavin ch 7
 TO TURN IN: Workbook, Chap.5 probs.#5,7&9 p.124
 Workbook, Chap.7 fill-ins and
 probs. 3,4,5,6,and 11

Oct 5 **FIRST MIDTERM**

III. MACROECONOMIC DATA

How do we measure our macro-economic performance? What are the major types of macro-economic data?

Oct 7 How do we measure our output of final goods and
Oct 9 services: GDP
 Reading Assignment: Slavin Chapter 8

Oct 12 Business Cycles: What are they? What causes them?
 Can they be reliably predicted?
 Reading Assignment: Slavin, Ch. 9 to p. 190

Oct 14 Unemployment: What it is, how to measure it
 Reading Assignment: Slavin, Ch. 9 to p. 197

Oct 16 Inflation: What it is, how to measure it
Oct 19 TO TURN IN: Workbook, Chap 8 Problems p.181-182
 Reading Assignment: Slavin, Ch. 9 to end

III. MACRO-ECONOMICS POLICY APPROACHES

 How can we achieve our macro-economic goals?
What is the proper role of the government in achieving these goals? *What tools does the government have to help us obtain* these goals? What are the limitations of government policy?

FOCUS ON FISCAL POLICY:

Oct 21 The Classical Approach to understanding the economy.
 Reading Assignment: Slavin Chap.10 to p. 228

Oct 23 The Keynesian approach to the economy.
 TO TURN IN: Workbook, chapter 9
 Reading Assignment. Slavin, Chap. 10 to end

Oct 26 Can fiscal policy help achieve economic stability?
Oct 28 What are its limitations?
 Reading Assignment: Slavin, Chap. 11

Oct 30 Review and Catch-up
 TO TURN IN: Workbook, Chap 10(all), Chap 11 problems

Nov. 2 SECOND MIDTERM

FOCUS ON MONETARY POLICY:

Nov 4 What is money? The nature and functions of money.

Nov 6 Reading Assignment: Slavin, ch. 12, pp. 279-291

Nov 9 How money impacts the economy: The equation of

Nov 11 exchange

Reading Assignment: Slavin Ch. 12, pp. 291 to end

Nov 13 Various views on monetary policy: Classical,

Nov 16 Keynesian, monetarist, and new

classical (aka rational expectationist) views

Reading Assignments: Slavin ch.14 to p. 343

TO TURN IN: Workbook, Chap.12 and 14 (omit me
#17-26, fill-ins #20-27)

Nov 18 The U.S. Banking System and the Federal Reserve
System

Reading Assignment: Slavin ch.13, to p. 323

Nov 20 Creation of Money and the Tools of the FRS to

Nov 23 Manage our Money Supply

Reading Assignment: Slavin ch 13 pp. 323 - end

TO TURN IN: Workbook, Chap. 13

Nov 25 THIRD MIDTERM

Nov 30 Supply-Side Economics

Reading Assignment: Slavin, ch. 14 pp. 343-end

Dec 2 Drastic Approaches to fixing the economy:

Industrial policy and Incomes policy

Reading Assignment: Slavin ch. 15 pp. 381-385

TO TURN IN: Workbook chap 14, me#17-26, fill-in,
#20-27

V. INTERNATIONAL FINANCE

Dec 4 Exchange Rate Determination

Dec 7 Exports and Imports and the US economy

Dec 9 Reading Assignments: Slavin Ch. 18 pp. 443-457

TO TURN IN: Workbook chap. 15

FINAL EXAM IS SCHEDULED FOR Thursday Dec 17, 10:30-12:30 pm