



Chaminade University

OF HONOLULU

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General Catalog
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Attendance

Students are expected to attend regularly all courses for which they are registered. **They** should notify their instructors when illness prevents them from attending class and make arrangements to complete missed assignments. When illness **or** personal reasons necessitate continued absence, the student should withdraw **officially** from all affected courses.

Anyone who stops attending a course **without** official **withdrawal** may receive a failing **grade**.

Three or more unexcused absences may lead to a grade reduction or the course.

Long-term unexcused absence may lead to loss of financial aid. Any absence of two weeks or more must be reported to the Dean of Arts and Sciences and the Registrar by the instructor. Federal regulations require continued attendance for continuing payment of financial aid. If attendance is not continuous, **financial** aid may be terminated.

Grades

Letter grades are given in all courses except those taken on a **credit/no credit** basis. Grades are **calculated** from the student's daily work, **class** participation, **quizzes**, tests, term papers, reports, and the final **examination**. They are interpreted as follows.

- A Outstanding scholarship and an unusual degree of intellectual initiative.
- B Superior work done in a **consistent** and intellectual manner.
- C Average grade **indicating** a competent grasp of subject matter.
- D inferior work of the lowest passing grade, is not satisfactory for **fulfillment** of prerequisite **coursework**.
- F Failed to grasp even the minimum subject matter; no credit **given**.
- FA Failure due to **absence**.
- P Satisfactory completion of course.
- W **Withdrawal** before published deadline.

Chaminade University
Honolulu, Hawaii 96816

Syllabus for: EC 201
Princ of Macroeconomics
Instructor: Dr. **Klauser**
Office Hours: Daily. Office is
located in Kieffer Hall.

COURSE TITLE: Principles of Macro Economics.

TEXT: Stephen Slavin, Macroeconomics, 1996, 4th ed.

Supplementary Readings:

Brue & Wentworth, Economic Scenes: Theory in Today's World, 5th ed
(On reserve in the Sullivan Library).

I. COURSE DESCRIPTION. This course analyzes 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, and so on, 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. The Department of Economics requires punctual and regular class attendance from all students enrolled in economics courses. If illness or personal emergency prevent class attendance, please let the instructor know,

2. Students are expected to study the assigned readings as indicated on this syllabus. In addition to the assigned readings, the student should also read economic articles that appear in daily newspapers and weekly news magazines.

3. Students are expected to do the Homework Writing Assignments and to take the tests and examinations as scheduled. No make-ups will be given unless prior approval is obtained from the instructor.

Written homework assignments must be typed or printed and turned in on the due-date. A penalty will be assigned for lateness.

The purpose of the homework writing assignments is to encourage you to practice and improve your writing skills, to express your *thoughts* in writing in a clear and concise manner, to develop your analytical ability, and to apply economic concepts to real world issues and problems.

Writing is not an easy task. It takes time and effort and lots of practice. It is only through rewriting that your essays will attain the polish we expect from economics students.

IV. GRADING POLICY: The grading policy of Chaminade University as listed in the General Catalog will be followed:

Grades will be based on the following:

1st Test	100 Points
2nd Test	100 Points
Final Examination	100 Points
15 Written Homework Assignments . . .	100 Points
points each)	

TOTAL	400 Points*

* 5 Points will be subtracted for each unexcused class absence, or lateness.

Students are encouraged to meet *with the* instructor in his office to discuss problems they may have with their studies. The Instructor is available daily. His office is located in Kieffer Hall. Office telephone extension is 611. (Phone: 739-4611).

1998

I. FUNDAMENTAL CONCEPTS

12 Jan Introduction to -the course: Review of syllabus; course **objectives**; course requirements; tests; attendance policy; writing requirements; **grading policy**.

Introduction to Economics: What does Economics deal with? Why do we have an economic problem? First Law of Economics: THE LAW OF SCARCITY.

Assignments: Slavin Introduction page 1 and Slavin Chapter 1, pp.3-20.

Brue & Wentworth, Chapter 1. (On Reserve in the Sullivan Library).

The purpose of Slavin Chapter 1 is to provide a brief economic history of the United States. Since this course deals with our macroeconomy, a brief introduction to our economic history serves as a useful background. The student is urged to read Slavin Chapter 1 for background information and not worry about the details.

The other chapters of the text must be studied carefully. For chapter 1, to get a basic idea of our economic history is more important than the details.

14 Jan What three economic problems does every society face?

Assignments: Slavin Ch.2 pp.25-37. Also do on your own the problems on pp.40/41, problems 1,2,3,4,5,6. (These do not have to be turned in).

Brue and Wentworth, Ch 2. (On Reserve in the Library).

Do Writin Assi nment 1. Due 16 Jan 1998

16 Jan How do the three **economic** problems get resolved in a
21 Jan market capitalistic economic system?

Assignments: Slavin, Ch.4 pp.59-76; & Brue & Wentworth Ch. 3 (On Reserve in the Library).

Do Writina Assignment 2. Due 26 Jan 1998

26 Jan How do prices in a market economic system come about?

28 Jan What is the Law of Supply and Demand?

30 Jan

Assignments: slavin, Ch.3 pp.49-55.

Brue & Wentworth Chapter 4.

Do Writina As signment # 3. Due 30 January 1998

II. THE MAJOR SECTORS OF OUR MACRO-ECONOMY

2 Feb The Consumer Sector.

Assignments: Slavin Ch. 5 pp.81-102.

4 Feb **The** Business-Investment Sector.

Assignments: Slavin Ch. 6 pp.103-120.

6 Feb **The** Government Sector: Government Spending and
9 Feb Taxation.
11 Feb

Assignments: Slavin Ch.7 pp.125-148; and Slavin pp.246-252 (Part III-The Deficit Dilemma); and Slavin pp.260-267 (Part VI and VII--Balanced Budget and Public Debt).

Brue and Wentworth, Chapter 12.

Read: Economic Report of the President, 1993; Chapter 6, pp.243-258, Budget Deficits and Future Generations.
(The Report is on Reserve in the Sullivan Library.

Do Writing Assignment # 4. Due 13 Feb 1998

13 Feb **The** International Trade Sector: Exports - Imports.

Assignments: Will be assigned in class.

18 Feb **FIRST** TEST

III. MACRO-ECONOMIC DATA

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

20 Feb **How** do we measure our output of final goods and services? GDP (Gross Domestic Product). (The old concept was GNP).

Assignments: Slavin Ch. 8 pp.153-177.

Do Writing Assignment # 5. Due 25 Feb 1998

23 Feb **How** do we measure what is *happening to* average prices?
25 Feb The various price indexes: CPI; **PPI**; GDP Deflator or Implicit Price Index.

Current \$ GDP vs. Real \$ GDP.

Assignments: Do Writing Assignment # 6. Due 25 Feb 1998

27 Feb

Business Cycles: Economic Growth; Economic Recession.
Why do we have business cycles? Can we forecast business cycles?

Assignments: Slavin **Ch.9, pp.183-190.**

Do Writing Assignment # 7. Du 2 march 1998

2 Mar

Our macro-economic goals are: Full employment; stable prices; economic growth. Why are these our macro-economic goals? Are we currently achieving these macro-economic goals? **What** are the issues with unemployment and inflation?

4 Mar

6 Mar

Assignments: Slavin Ch. 9, **pp.190-208.**

Hrue and Wentworth, Chapter 14.

Do Writing Assignment # 6. Due March 6r 1998

Do Writing Assignment # 9. Due March 6, 1998

IV. MACRO-ECONOMICS POLICY APPROACHES

Bow **can** we achieve our **macro-economics** goals of full employment, **stable** prices, *and* economic growth? Can the **government** contribute to *an* improved performance? *Bow? What policy approaches* are available? What are the **limitations** of **government management** of the **Macro-economy?**

9 Mar

The Classical Approach (Laissez faire approach).

Assignments: Slavin Ch. 10, **pp.213-226.**

Do Writing Assignment # 10. Due 11 March 1998

11 Mar

The (old) Keynesian approach (Fiscal policy approach).

13 Mar

Assignments: Slavin, **pp.226-232,** and Ch. 11 **pp.237-245.**

Hrue and Wentworth **Ch.15** and Chapter 16.

Do Writing Assignment # 11. Due 16 March 1998

16 March

Can we achieve economic stability through fiscal policy? What are the limitations of using fiscal policies to fine-tune our macro-economy?

Do Writing Assignment # 12. Due 18 March 1998

18 March

SECOND TEST

In addition to fiscal policy, another tool available to the government (i.e. the Federal Reserve System) to manage our macro-economy is monetary.

20 March **What** is money? The nature and functions of money.

Assignments: Slavin Ch. 12, 279-284

ney and the Economy:

30 March The Equation of Exchange.

1 Apr The various views on monetary policy: **The classical**
3 Apr **the neo-Ke es an view: the monetarists views the**
6 Apr **new classical view (a.k.a. the rational expectation view).**

Assignments: Slavin Chapter 12, **pp.284-293**; and Slavin, Ch. 14 **pp.335-348**. (Appendix pp. 353-363 Optional).

Do Writing Assignment 1 13. Due 6 April 1998

8 April The U.S. Banking System and the Federal Reserve System

Assignments: Slavin Ch.12 pp.294-306, and Ch.13 pp.313-316.

Do Writing Assignment 1 14. Due 13 April 1998

13 April **Creation** of Money and the Tools of the FRS to manage our
15 April money supply.

Assignments: Slavin Ch. 13 **pp.316-330**.

Brue and Wentworth, Chapter 18.

17 April Supply side economics.

Assignments: Slavin Ch. 14, **pp.342-345**; and Slavin Ch. 16 **pp.377-396**.

20 April Radical Approaches: Industrial policy; Incomes policy.

Assignments: Slavin Ch. 15 **pp.369-374** plus the handouts that will be given out in class.

22 April **Different** economic systems: Russia in transition.

Assignments: Slavin **pp.71-76** and handouts that will be given out in class.

V. INTERNATIONAL FINANCE

April 24 **Exchange rate determination.**
to May 1 Exports and imports and the US macro-economy.

Assignments: Slavin Ch. 19 **pp.467-482**.

Brue & Wentworth Ch. 22 and the handouts that will be given out in class.

Do Writing Assignment f 15. Due

May 6 **FINAL EXAMINATION.** Students are expected to take the
10:30 to 12:30 final examination as scheduled by the Registrar. No