

Chaminade University
Honolulu Hawaii 96816

EC 20102 *59F*
Princ. of Macroeconomic

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

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

Jan 1	Introduction to course.
Jan 13	Dealing with Scarcity Reading Assignment: Text, chapter 2
	What are the Laws of Supply and Demand?
Jan 20	Reading Assignment: Slavin Chapter 3
Jan 25	TO TURN IN: Workbook, Chap 2 and chap 2 appendix(omit problem 2, p. 48)
	Different Types of Economic Systems
	Reading Assignment: Slavin chapter 4
Jan 29	<u>II. THE MAJOR SECTORS OF OUR ECONOMY</u>
	The Consumer Sector
	TO TURN IN: Workbook, Chapter 3
Feb 1	Reading Assignment: Slavin, Ch. 5
	The Business-Investment Sector
	Reading Assignment: Slavin ch. 6
	TO TURN IN: Workbook, Chapter 5
Feb 13	The Government Sector: Government Spending and Taxation
Feb 12	

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

Ab. 15

FIRST MIDTERM

III. MACROECONOMIC DATA

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

How do we measure our output of final goods and services: GDP

Feb 22

Reading Assignment: Slavin Chapter 8

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

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

Inflation: What it is, how to measure it
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:

a3 The Classical Approach to understanding the economy.
Reading Assignment: Slavin Chap. 10 to p. 228

RS The Keynesian approach to the economy.
Mar 08 TO TURN IN: Workbook, chapter 9
Reading Assignment. Slavin, Chap. 10 to end

Mar 12 Can fiscal policy help achieve economic stability?
What are its limitations?
Reading Assignment: Slavin, Chap. 11

Mar 15 Review and Catch-up
TO TURN IN: Workbook, Chap 10 (all), Chap 11 problems

SECOND MIDTERM

FOCUS ON **MONETARY** POLICY:

- What is money? The nature and functions of money.
- 31 Reading Assignment: Slavin, ch. 12, pp. 279-291
- April 5 How money impacts the economy: The equation of exchange
Reading Assignment: Slavin Ch. 12, pp. 291 to end
- April Various views on monetary policy: Classical, 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)
The U.S. Banking System and the Federal Reserve System
Reading Assignment: Slavin ch.13, to p. 323
- April 14 Creation of Money and the Tools of the FRS to
April 16 Manage our Money Supply
Reading Assignment: Slavin ch 13 pp. 323 - end
TO TURN IN: Workbook, Chap. 13

April 19 **THIRD MIDTERM**

- April 2 Supply-Side Economics
Reading Assignment: Slavin, ch. 14 pp. 343-end
- April 23 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

- April 28 Exchange Rate Determination
Exports and Imports and the US economy
- April 30 Reading Assignments: Slavin Ch. 18 pp. 443-457
TO TURN IN: Workbook chap. 15

FINAL **EXAM** IS SCHEDULED FOR **Tuesday May 4, 10:30-12:30 pm**