

Chaminade University
Honolulu, Hawaii 96816

Bu 241 102 Fall 1999
Principles of **Macroeconomics**

INSTRUCTOR: Barbara P. Street, Ph..D.
Office Hours: MWF 2-3 pm. Tr 12:30-2:00 pm or by appointment
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COURSE TITLE: Principles of **Macroeconomics**

Stephen Slavin, **Macr** **nomi** 1999, 5th ed

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**.,

COURSE GOALS: **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.

COURSE OBJECTIVES: By the end of the semester, the **student** will be able to:

1. Understand **current** media articles about the state of the general economy.
2. **Discuss the** causes of such events as **unemployment, inflation, recession and** stagflation.
3. Discuss **the** various policy **choices** available to stabilize **the** economy.
4. Discuss **the** implications of a changing value of a currency.
5. Discuss **the** different assumptions (and views about the economy) held by the different groups of economic **theorists—and** explain how their policy suggestions reflects their views.

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 50** points allotted to **attendance** / participation.
2. Students **are expected to keep** up with the **reading** assignments as **listed** on the syllabus.
3. Students are expected to **turn in** written **homework** assignments when due. Late **work** may NOT be **accepted**, and will be **assessed** a penalty of 1 point per day **late** when it is accepted.
4. Students **are** expected **to** read economic articles in current **news** media to stay abreast of economic developments and to **prepare** summaries of 10 of **these articles** over the **course** of the semester.
5. Students **are expected to take it** **as scheduled**. **NO make-ups** will be given unless the **student** has **notified** the **instructor** BEFORE the test is administered that **he/she** will be unable to **take** the **exam** with the class.
6. Each Student will keep a **"learning log**: in which they **record**, for each class session, the **major** points of the class and **his/her** comments **/insights** into the material covered **in** class or in the readings. These logs will be collected **periodically** and graded for their thoroughness and **thoughtfulness** of commentary.
7. Each **student must** come to class with a red pen or pencil **and** a straight-edge **ruler**.

GRADING POLICY:

Course grades will be based on the following:

1 st midterm	100 points	A: 540-600 points
2 nd midterm	100 points	B: 460-539 points
learning log	100 points	C: 420-459 points
attendance/participation	50 points	D: 360-419 points
<i>TOTAL POINTS</i>	600 points	F: below 360 points

August

30

Introduction: What is economics all about?

Course syllabus and course requirements

REAL) CHAPTER 2 of Text for next class

Read chap 2 of text for next class

PROPOSED COURSE SCHEDULE

September

The Law of Scarcity: why we make choices

Complete **Activity** 1 for next class

3

Growth in a world of constrained resources

Read Chap. 3 to page 53 for next time

8

Demand

Submit Learning Logs Today

Complete Activity 2 for next time

10

Supply

Complete Activity 3 for next class

Read to end of Chapter 3 for next class

13

Equilibrium: The interaction of supply and demand

Complete **Activity** 4 for next class

Read chapter 4 to p. 66 for next class

15

Our Mixed Economy-

Read Chap 5 to page 95

17

Household Spending: **Consumption**

Complete **Activity** 5 for next class

Read Chapter 5 to end for next class

20

Determinants of Consumption

Complete **Activity** 6 for next time

Read Chapter 6 to p. 116 for next time

22

Business Spending: Investment

Complete Activity 7 for next time

Read Chapter 6 to end

Determinants of Investment

Complete Activity 8 for next class

Read Ch. 7 to page 130 for next class

27

Government Spending

read Chap 7 to end for next class

29

Government **taxation**

Read **Chap.** 8 to page 165

October

Measuring Output: Gross Domestic Product

Complete **Activity** 9 for next class

Read chapter 8 to end for next class

4

Making GDP Comparisons **Useful:** Indexing

Complete Activity 10 for next class

6

GDP: Is it a Useful Concept?

Read Chapter 9 to page 190 for next class

8

Business Cycles

Complete Activity 11 for next class

Read Chap 9 to p. 197 for next class

read Chapter 9 to end

13

Unemployment

Complete Activity 12 for next class

read Chap 9 to end for next class

15

Inflation

18

MIDTERM EXAM

Read Chapter 10 to page 228 for next class

Classical Economics

Read Chapter 10 to end

22

Keynesian Economics

Complete **Activity** 13 for next class

Read chap. 11 pages 143-248 for next class

25

The Multiplier Effect

Complete Activity 14 for next class

Read handout for next class

27

Keynes and **Taxation**

Complete activity 15 for next class

Read handout for next class

29

Keynesian Economics Overview

Complete Take-home Quiz for next class

November

1

Mid-term Exam

Read Chapter 12 to page 285

What is Money? What **functions** does it play?

Complete **Activity** 16 for next class

Read chap 12 to p. 291

5

Why do we hold money?

Read Chap 12 to **end** for next class

8

How Banks **Create** Money

Complete Activity 16 for next class

Read Chapter 13 to page 316

10

What is the **Federal** Reserve?

Read Chapter 13 to 325

12

How the Federal Reserves Controls the Money

Supply

Complete **Activity** 16 for next class

15

Bank Regulation in the USA

Read Chapter 14 to **page** 340

17

Classical and Keynesian Views on Monetary
Policy

Read Chapter 14 to end for next class

19

Additional Policy Views

Complete **Take Home Quiz** for **next** class

22

What about the Budget Surplus

Maui Invitational

24

What about Social **Security**?

Read Chapter 19 to page 472 for **next** class

29

What is the Balance of Payments?

Complete Activity 17 far next class

Read Chap 19 to **page** 484 for **next** class

December

1

The Exchange Rate **Systems**

Complete Activity 18 for next **class**

Read chapter 19 to page 480 for next class

3

Floating Exchange Rates

Complete **Activity** 19 for next class

Reading assignments to be announced

6

What does Globalization **mean**?

Reading and written assignments to be announced

9

TBA

Read **Chapter** 19 to page 472 for next class

Reading and **written assignments** to be announced

10

REVIEW AND CATCHUP

13

Final Exam Week

14

Final Exam **Week**

15

Final Exam Week

16

Final Exam Week

FINAL EXAM:
DEC 14
10:30 - 12:30