

Chaminade University
Honolulu, Hawaii 96816

Syllabus for: BC 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 1999, 5th 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.



Charninade University

O I N O N O L V t V

1998-99
General Catalog
Vol. 43

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 for 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 Records **Office** 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, not **satisfactory** for fulfillment of prerequisite course work.
- 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**.
- I Did not complete a small portion of the work or final examination due to circumstances beyond the student's **control**.
- IP In Progress; primarily used for thesis completion.

AU Audit.

CR/NC **Credit/no** credit.

The issuance of an 'I' grade is not automatic. Prior to **reporting** of grades a contract must be made between the student and the instructor for the completion of the course. **Sufficient** time should be allowed to permit completion of the work, evaluation, and reporting of the final grade within 90 days after **the** end of the semester or term. This limit may not be **extended**. If a new grade for the course is not submitted by the instructor prior to the deadline, the alternate grade indicated in the contract **will** be recorded.

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

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).

WRITING STANDARDS

All work submitted by Chaminade University students must meet the following writing standards. Written assignments failing to meet these standards will not be accepted, unless other criteria have been specified for a particular assignment.

1. Written assignments should use correctly the grammar, spelling, punctuation, and sentence structure of Standard Written English.
1. Written assignments should develop ideas, themes, and main points coherently and concisely.
3. Written assignments should adopt modes and styles appropriate to their purpose and audience.
4. Written assignments should be clear, complete, and effective.
5. Written assignments containing material and ideas borrowed from sources should carefully analyze and synthesize that material. In addition, the sources of the borrowed material should be correctly acknowledged.

1999

I. FUNDAMENTAL CONCEPTS

Jan 11

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 I and Slavin Chapter I.

The purpose of Slavin Chapter I 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** should be studied carefully. For chapter I, to get a basic idea of our economic history is more important **than** the details.

Jan 13

What three economic problems does every society face?

Assignments: Slavin Chapter 2. Brue &, Wentworth **Ch.2.** (On Reserve in the Library).

Do **Writing Assignment #1.**

Jan 15
Jan 20

What are the **different** economic systems by which the three economic problems can be resolved?

Assignments: Slavin Chapter 4. Brue & Wentworth **Ch3.** (On Reserve in the Library).

Do Writing Assignment #2.

Jan 25
Jan 27
Jan 29

How do prices in a market economic system come about? What is the Law of Supply and Demand?

Assignments: Slavin **Ch.3.** Brue & Wentworth **Ch.4** (On [Reserve.in](#) the Library).

Do Writing Assignment #3.

II. THE MAJOR SECTORS OF OUR MACRO-ECONOMY

Feb 1

The Consumer Sector. Assignments: Slavin Chapter 5.

Feb 3

The Business-Investment Sector. Assignments: **Slavin** Chapter 6.

Feb 5
Feb 8
Feb 10

The Government Sector. **Assignments:** Slavin Ch. 7 pp 215-148: Slavin **pp.254-266** (Part V, VI, VII). **Do Writing Assignment #4.**

Feb 12

The International Trade Sector: Exports - Imports.

Assignments: Will be assigned in class.

Feb 17

First **Test**

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

Feb 19 **How do we measure the dollar value of our output of final goods and services: GDP Gross Domestic Product. (The old concept was GNP).**
Assignments: Slavin Chapter 8.
Do Writing Assignment #5.

Feb 22 How do we measure what is happening to average prices? The various price indexes.
Feb 24 **CPI** (Consumer Price Index); **PPI** Producer Price Index); **Implicit Price Index or GDP Deflator.** Current \$ GDP vs. Real \$ GDP.

Assignments: Do Writing Assignment #6

Feb 26 **Business Cycles: Economic Growth; Economic Recession. Why do we have business cycles? Can we forecast business cycles?**
Assignments: Slavin Chapter 9.
Do Writing Assignment #7.

Mar 1 Our macro-economic goals are Economic Stability by which we mean full employment,
Mar 3 price stability, economic **growth**. Why are these our macro-economic goals? What are
Mar 5 the issues with unemployment and inflation?
Assignments: Do Writing Assignment #8 and #9.

IV. MACRO-ECONOMICS POLICY APPROACHES

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

Mar 8 **The Classical Approach (Laissez faire approach).**
Assignments: Slavin Chapter 10 pp.215-228.

Mar 10 **The Keynesian approach (Fiscal policy approach).**
Mar 12 **Assignments:** Slavin pp.228-234; Ch. II pp.239-247. Brue & Wentworth Ch.15 & 16.
Do Writing Assignment #11.

Mar 15 Can we achieve economic stability through fiscal policy? What are the limitations of using
fiscal policies to fine-tune our macro-economy?
Assignments: Do Writing Assignment #12.

Mar 17 **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 policy.*

Mar 19 What is money? The nature and function of money.
Assignments: Slavin Ch. 12 **pp.279-285.**

Mar 29 The U.S. Banking System and the Federal Reserve System
Assignments: Slavin Ch. 12 **pp.291-303;** and Ch. 13 **pp.309-314.**
 Do **Writing Assignment #13.**

Mar 31 ~~The Creation of Money and the Tools of the FRS to manage our money supply.~~
 Apr 5 Assignments: Slavin Ch. 13 **pp.314-327.** Brue and Wentworth Ch. 18.

Apr 7 Money and the Economy: The Equation of Exchange.
 Apr 9
 Apr 12 The **various** views on monetary policy: The **classical** view; the neo-Keynesian view; the monetarists view, the new classical view (a.k.a. the rational expectation view).
Assignments: Slavin Ch. 14 **pp.333-342** and **pp.346-349.**
 Do **Writing Assignment #13.**

Apr 14 Supply-Side Economics
Assignments: Slavin Ch. 14 **pp.343-349;** and Slavin Ch. 16 **pp.379-396.**

Apr 16 Radical Approaches: Industrial policy; Incomes **policy.**
Assignments: Slavin Ch. 15 **pp.373-375.**

Apr 19 Summary of Policy Alternatives
 Apr 21 Assignments: Will be assigned in class.

V. **INTERNATIONAL FINANCE**

Apr 23 Exchange rate determination, and how exchange rates affect exports, imports, and
 to the macro-economy.
 Apr 30 Assignments: Slavin Ch. 19 pp. **469-486.**
 Writing Assignment #15. Will be done in class.

May 4 **FINAL EXAMINATION**
 10:30 to
 12:30
