

INSTRUCTOR: Bruce H. Monahan, MA
Office Hours: MWF 11- Noon, or by Appointment
Location - Business School Office

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COURSE TITLE: Principles of Macroeconomics (BU 24102)

TEXT: Karl E. Case & Ray C. Fair, Principles of Macroeconomics, 2001, 6th ed

COURSE DESCRIPTION: This course analyzes the structure and operations 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 and deficits are recurring headlines in our daily newspapers and magazines. This introductory economics course is designed to provide the foundation 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 students 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 reflect their views.

MAJOR ASSIGNMENTS:

1. Prompt and regular attendance is expected of all students. If a student is absent for more than 3 times, 5 points will be deducted from the 50 points allotted to Attendance/Participation for each absence above 3.
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. **After** homework assignments have been graded, the correct answers will be available on the Chaminade Intranet. Once the answers have been posted, work will not be accepted for credit.
4. Students are expected to read economic articles in current news media to stay abreast of economic **developments** and to prepare summaries of 5 of these articles over the course of the semester. Please note that ALL written **assignments must meet Chaminade University** standards. **Grammar, spelling and punctuation DO count!** Be sure to include the title, author, source and date of the article in your report. Articles will be collected on Mondays. No more than one article may be turned in at a time.
5. Students will keep a log of economic data. They will update the data every two weeks, and bring the log with them to each exam. They will refer to their log as they answer an essay question on the exam. Logs will be turned in for grading with the final exam.
6. Students are expected to take exams as scheduled. NO make-ups will be given unless the student has notified the instructor **BEFORE** the test is administered; the he/she will be unable to take the exam with the class.

GRADING POLICY:

Course grades will be based on the following:

1 st midterm	100 points
2nd midterm	100 points
3rd midterm	100 points
Homework	100 points
Article summaries	50 points
Attendance/Participation	50 points
Log	50 points
Final Exam	100 points

Total 625 points

- A 562 - 625
B 500 - 561
C 438 - 499
D 375-447
F below 375

COURSE OUTLINE

#	Date	Focus / <i>Reading Assignment</i>	Homework Due
INTRODUCTION: <i>What is economics? What forces shape a capitalist economy?</i>			
1	Aug 27	Introduction to Course. Law of Scarcity. <i>Test - Chap 1</i>	
2	Aug 29	Choices in Using Scarce Resources <i>Text - Chap 2 to 36</i>	
3	Set 05	The Realities of Production Possibilities	
4	Sept 07	Types of Economic Systems <i>Text - Chap 2 to p end</i>	Turn in Homework Set # 1
5	Sept 10	Decision Making in a Capitalistic System <i>Text - Chap 3 to p 48</i>	
6	Sept 12	Demand and Supply <i>Text - Chap 3 to 57</i>	
7	Sept 14	Demand and Supply - Continued <i>Text - Chap 3 to end</i>	
8	Sept 17	Applications in Demand & Supply <i>Text - Chap 4</i>	
9	Sept 19	Macroeconomics <i>Text - Cha S</i>	Turn in Homework Set # 2
10	Sept 21	Measuring National Output & Income <i>Text - Chap 6 top 116</i>	
11	Sept 24	Measuring Output: GDP <i>Text - Chap 6 to end</i>	
12	Sept 26	Business Cycles <i>Text - Chap 7 to p 130</i>	Turn in Homework Set # 3
13	Sept 28	Unemployment <i>Text - Chap 7 to p 138</i>	
14	Oct 01	Nation <i>Text - Chap 7 to end</i>	
15	Oct 03	Working with Price Indices	
16	Oct 05	Review	Turn in Homework Set # 4
17	Oct 10	MIDTERM EXAM 1	
MACR-ECONOMIC POLICY APPROACHES: <i>How can we achieve our macro-economic goals? What is the proper role of government in achieving these goals? What tools does the government have to help I the achievement of these goals? What is the limitation of government policy?</i>			
18	Oct 12	Aggregate Expenditures and Equilibrium Output <i>Text - Chap 8 to 156</i>	
19	Oct 15	Equilibrium <i>Text - C 8 to 159</i>	
20	Oct 17	The Multiplier <i>Text - Chap 11 to 356</i>	

21	Oct 19	Fiscal Policy <i>Text = Chap 9 to 180</i>	Turn in Homework Set # 5
22	Oct 22	The Federal Budget <i>Text - Chap 9 to end</i>	
23	Oct 24	<u>Catch-up</u> and Review	
24	Oct 26	MIDTERM EXAM 2	Turn in Homework Set # 6
FOCUS ON MONETARY POLICY.- What is money? What role does it play in our economy? Does the size of the money supply affect economic variables?			
25	Oct 29	What is money? The nature and functions of money <i>Text - Chap 10 to 197</i>	
26	Oct 31	How banks create money <i>Text - Chap 10 top 302</i>	
27	Nov 02	The Federal Reserve System <i>Text - Chap 10 to end</i>	
28	Nov 05	Tools of the Federal Reserve System <i>Text - Chap 10 to end</i>	
29	Nov 07	The Demand for Money <i>Text - Chap 2 to 32</i>	Turn in Homework Set # 7
30	09 Nov	Choices in Using Scarce Resources <i>Text - Chap 11 to end</i>	
31	14 Nov	How the Goods Market and the Money Market Work Together <i>Text - Chap 12</i>	
32	16 Nov	Aggregate Supply - Aggregate Demand <i>Text - Chap 13</i>	
33	19 Nov	Macro-Economic Schools of Thought <i>Text - Chap 18</i>	
	21 Nov	<u>Review</u> and <u>Catch-up</u>	
35	26 Nov	MID TERM EXAM 3	Turn in Homework Set # 8
REAL WORLD ECONOMICS : Does policy really work? How does the international sector impact the economy?			
36	28 Nov	The Balance of Payments <i>Text - Chap 20 to 410</i>	
37	30 Nov	Equilibrium Output in an Open Economy <i>Text - Chap 20 to 414</i>	
38	03 Dec	Exchange Rate Systems <i>Text - Chap 20 to end</i>	
39	05 Dec	<u>Wrap-u</u>	
40	07 Dec	REVIEW	Turn in Homework Set # 9
	12 Dec	FINAL EXAM Wednesday 10:30 -12:30	