

F0'02

Chaminade University
Honolulu, Hawaii 96816

BU241^{01,02} Fall 2002
Principles of Macroeconomics

:

INSTRUCTOR: Barbara P. Street, Ph..D.
Office Hours: MWF 9:00-10:00, or by appointment
Kieffer Hall Room
Phone:
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COURSE TITLE: Principles of Macroeconomics

TEXT: Case and Fair, Principles of Macroeconomics. 2001, 6th 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. 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 the standards presented in EN 101 and 102 courses. 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, as they will refer to their log as they write 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 that he/she will be unable to take the exam with the class.

GRADING POLICY:

Course grades will be based on the following:

1st midterm	100 points	A: 562-625 points
2nd midterm	100 points	B: 500-561 points
3rd midterm	100 points	C: 438-499 points
homework	100 points	D: 375-447 points
article summaries	50 points	F: below 375 points
attendance/participation	50 points	
log	50 points	
FINAL EXAM	100 points	
TOTAL	625 points	

COURSE OUTLINE

INTRODUCTION: What is economics? What forces shape a capitalistic economy?

- August 27 Introduction to course. What is economics?
Reading Assignment: text, chap. 1
- August 29 Choices in Using Scarce Resources
Reading Assignment: text, chap 2 to p. 36
- September 3 Types of Economic Systems
Reading Assignment: text, chap 2 to end
TO TURN IN: HOMEWORK SET #1
- September 5 Demand and Supply
Reading Assignment: text, chap. 3
- September 10 **Applications in Demand and Supply**
Reading Assignment: text, chap. 4
- September 12 **TO TURN IN: HOMEWORK SET #2**
Macroeconomics ****extra credit for viewing the movie "The Grapes of Wrath (5 pts.)****
Reading Assignment: text, chap. 5
- September 17 Measuring National Output and National Income
Reading Assignment: text, chap. 6
- September 19 **TO TURN IN : HOMEWORK SET #3**
Business Cycles, Unemployment
Reading Assignment: text, chap. 7 to p. 138
- September 24 Inflation and Price Indices
Reading Assignment: text, chap. 7 to end
- September 26 **TO TURN IN: HOMEWORK SET #4**
REVIEW
- October 1 **MIDTERM EXAM 1**

MACRO-ECONOMIC POLICY APPROACHES: 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 in the achievement of these goals? What are the limitations of government policy?

MID TERM EXAM 3

REAL WORLD ECONOMICS: Does policy really work? How does the international sector impact the economy?

Nov 21

The Balance of Payments

Reading Assignment: text, chap 20 to p. 414

Nov 26

Exchange Rate Systems

Reading Assignment: text, chap 20 to end

Dec 3

Wrap-up

Dec 5

REVIEW

TO TURN IN: HOMEWORK SET #9

FINAL EXAM: