

Chaminade University  
Honolulu, Hawaii 96816

BU24102 Fall 2000  
Principles of Macroeconomics

**INSTRUCTOR:** Barbara P. Street, Ph..D.  
Office Hours: MWF 2-3 pm. Tr 12:30-2:00 pm or by appointment  
Kieffer Hall Room 14 Cubicle CC  
Phone: 739-4609 (office) 377-5865 (home)

**COURSE TITLE:** Principles of Macroeconomics

**TEXT:** Stephen Slavin, Macroeconomics, 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. 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.
  5. 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:

1 st midterm	100 points	A: 630-700 points
2nd midterm	100 points	B: 560-629 points
3rd midterm	100 points	C: 460-559 points
homework	100 points	D: 360-419 points
article summaries	50 points	F: below 360 points
attendance/participation	50 points	
FINAL EXAM	150 points	
TOTAL	700 points	

## ***COURSE OUTLINE***

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

**Aug 2&** Introduction to course. Law of Scarcity.  
*Reading Assignment: text, chap. 1*

**Aug 30** **Choices in Using Scarce Resources**  
*Reading Assignment: text, chap 2*

**Sept 1** The Realities of Production Possibilities  
*Reading Assignment: text, chap. 2 to end, Appendix*

**Sept 6** **TO TURN IN. HOMEWORK SET #1**  
Supply and Demand

*Reading Assignment: text, chap. 3*

Sept 8 Supply and Demand Continued  
*Reading Assignment: text, chap 3*

Sept 11 *TO TURN IN: HOMEWORK SET # 2*  
What is Capitalism? Is the US a purely capitalistic economy?  
*Reading Assignment: text, chap. 4*

*THE MAJOR SECTORS OF OUR ECONOMY :*

Sept 13 The Consumer Sector  
*Reading Assignment: text, chap. 5*

Sept 15 The Consumer Sector Continued

Sept 18 *TO TURN IN. HOMEWORK SET #3*  
The Business-Investment Sector  
*Reading Assignment: text, chap. 6*

Sept 20 The Government Sector: Government Spending  
*Reading Assignment: text, chap. 7 to page 130*

Sept 22 *TO TURN IN HOMEWORK SET # 4*  
The Government Sector: Taxation  
*Reading Assignment: text, chap. 7 to end*

Sept 25 Measuring Output: GDP  
*Reading Assignment: text, chap. 8 top. 164*

Sept 27 Adjusting GDP for Inflation  
*Reading Assignment: text, chap. 8 to end*

Sept 29 *TO TURN IN: HOMEWORK SET #S*  
Business Cycles  
*Reading Assignment: text, chap. 9 top. 190*

Oct 2 Unemployment  
*Reading Assignment: text, chap 9 to p. 196*

Oct 4 Inflation  
*Reading Assignment: text, chap. 9 to end*

*Reading Assignment: text, chap. 12 to end*

Nov 8

**TO TURN IN: HOMEWORK SET # 9**

**The Federal Reserve System**

*Reading Assignment: text, chap. 13 to pg. 320*

Nov 13

**Open Market Operations**

*Reading Assignment: text, chap. 13 to pg. 324*

Nov 15

**Reserve Requirements, Discount Rate Tools**

*Reading Assignment: text, chap. 13 to end*

Nov 17

**Modern Economic Theory**

*Reading Assignment: text, chap. 14*

Nov 20

**Review and Catchup**

Nov 22

**TO TURN IN: HOMEWORK SET #10**

**MID TERM EXAM 3**

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

Nov 27

**Does Economic Policy Really Work?**

*Reading Assignment: text, chap. 15*

Nov 29

**International Finance: The Balance of Payments**

*Reading Assignment: text, chap. 19 to pg. 470*

Dec 1

**International Finance Continued**

Dec 3

**Dec Exchange Rate Systems**

*Reading Assignment: text, ch. 19 to end*

Dec 6

**Exchange Rates Continued**

**TO TURN IN: HOMEWORK SET #11**

Dec 8

**REVIEW**

**FINAL EXAM** Tuesday, Dec 12 10:30-12:30

Oct 6

**TO TURN IN: HOMEWORK SET #6**  
**MID TERM 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 its the achievement of thecae goals? What are the limitations of government policy?**

Oct 11

The Classical Approach to Understanding the Economy  
**Reading Assignment: text, chap 10 to pg. 222**

Oct 13

The Conventional (Keynesian) approach to the economy  
**Reading Assignment: text, chap 10 to pg. 230**

Oct 16

**Keynesian Policy** Approaches  
**Reading Assignment: text, chap 10 to end**

Oct 18

The Multiplier Effect of Fiscal Policy  
**Reading Assignment: text, chap. 11 to pg. 256**

Oct 20

**TO TURN IN. HOMEWORK SET 7**  
Fiscal Policy and the National Debt  
**Reading Assignment: text, chap. 11 to end**

Oct 23

Issues in Fiscal Policy  
**Reading Assignment: text, chap. 11 appendix**

Oct 25

Catch-up and Review

Oct 27

**TO TURN IN. HOMEWORK SET #8**  
**MID TERM EXAM 2**

**FOCUS ON MONETARY POLICY? What is money? What role does it play its our economy? Does the size of the money supply affect economic variables?**

Oct 30

What is money? the nature and functions of money  
**Reading Assignment: text, chap. 12 top. 286**

Nov 1

How money impacts the economy: the equation of exchange  
**Reading Assignment: text, chap. 12 top. 293**

Nov 3

Keynesian views on money  
**Reading Assignment: text, chap. 12 top. 293**

Nov 6

The Banking System