University of Hawai‘i at Manoa  
Department of Economics  
ECON 131: Principles of Macroeconomics  
Fall 2012  
MWF 10:30-11:20

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Office: TBA  
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Course Description
Econ 131 is an introductory course in economics. It acquaints students with the basic tools in macroeconomics including opportunity cost, debts, inflation, unemployment, role of central banks, saving and investment, budgets, budget and trade deficits, GDP, exchange rates, and fiscal and monetary policies. Basic macroeconomic tools and concepts are essential in understanding the “economic way of thinking” in a world with country interdependencies, multinational firms, and an increasingly open global economy. The concepts offer important insights into a variety of social, economic, and country interactions. This course tries to emphasize the fact that economic problems can be viewed from many angles, and can be remedied in different ways, depending on the existing conditions and the underlying philosophy. Economic problems are presented not in an isolationist context, but in an open and global setting, and almost all current economic decisions are made in the context of a global framework.

Objectives (Student Learning Outcomes)
By the end of the semester, students are expected to learn the following: 1) the language and terminology used in Macroeconomics, 2) the basic methodology and models of Macroeconomics and the application of these models, and 3) problem-solving skills to tackle real life economic situation. For economics majors, this course will lay the foundation for continuation in advanced economic analysis. For majors and non-majors alike, this course will give you problem-solving and analytical skills that should prove useful in various aspects of the everyday decision-making process and the ability to form informed opinions about macroeconomic policies used by the government.

Textbook
*Macroeconomics*, 3rd edition, by Paul Krugman and Robin Wells. It is available in University bookstore.
**ECONPORTAL**
Students must purchase the accompanying *econportal* package that comes with the book. Homework assignments will be both assigned and submitted through this website.

After purchasing the *econportal* package, students will need to register for the course at: [http://courses.bfwpub.com/krugmanwellsmacro3.php](http://courses.bfwpub.com/krugmanwellsmacro3.php)

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**Course Requirements**

**Homework Assignments**
There will be online chapter HW that may be accessed through *econportal*.

**Exams**
There will be two midterms and a final exam for this class.

**Grading Policy**

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<thead>
<tr>
<th></th>
<th>Percentage of Course Grade</th>
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<tbody>
<tr>
<td>Homework Assignments/Quizzes</td>
<td>25%</td>
</tr>
<tr>
<td>Midterm Exams</td>
<td>40%</td>
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<tr>
<td>Final Exam</td>
<td>35%</td>
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**Academic Honesty**
Cheating and plagiarism will not be tolerated. Failure to comply with University of Hawaii guidelines of academic honesty may result in a failing grade in the course and further action taken by the university. Please do not attempt to test this guideline.

**Students with Disabilities**
If you feel you need reasonable accommodations because of the impact of a disability, please (1) contact the KOKUA Program (V/T) at 956-7511 or 956-7612 in room 013 of the QLCSS, and (2) speak with me privately to discuss your specific needs. I will be happy to work with you and the KOKUA Program to meet your access needs related to your documented disability.
Tentative Agenda

This course outline is tentative and will be adjusted throughout the semester. The changes will be announced in class and posted online. Please check course website regularly. We will cover as many topics as time permits, which in turn will depend on the pace of the class.

No class on Aug 20 (first class). I will be off-island. Our first class will begin on Aug. 23.

Introduction to Macroeconomics
Chapters 1-3: Review of Microeconomics
Chapter 6: Macroeconomics: The Big Picture
Chapter 7: GDP and CPI: Tracking the Macroeconomy
Chapter 8: Unemployment and Inflation
Chapter 9: Long Run Economic Growth

Financial System
Chapter 10: Savings, Investment, Spending, and the Financial System
Chapter 14: Money, Banking, and the Federal Reserve System
Chapter 17: Crises and Consequences

Aggregate Demand
Chapter 11: Income and Expenditure
Chapter 12: Aggregate Demand and Aggregate Supply

Government Policy
Chapter 13: Fiscal Policy
Chapter 15: Monetary Policy
Chapter 16: Inflation, Disinflation, and Deflation

Other
Chapter 18: Macroeconomics: Events and Ideas
Chapter 19: Open-Economy Macroeconomics