

REVISED JAN 11, 2005
UNIVERSITY OF HAWAII AT MANOA
DEPARTMENT OF ECONOMICS
ECON 131(3)
Principles of Economics—Macroeconomics

Semester: Fall 2004
Lecture: TR 7:30-8:45 AM
Crawford 105

Lecturer: Dolores Anne Sanchez
Office Hours: WR: 11:00-12:00 pm or by appt.
Office: Saunders 505; Phone: 956-8068
E-mail: doloress@hawaii.edu
Class Web Page: <http://www2.hawaii.edu/~doloress/>

Course Description: This course provides an introduction to the principles of macroeconomics. We will develop our intuition on basic economic behavior of consumers and firms and then broaden our perspective to include topics of interest at the level of the overall economy. These include inflation, unemployment, gross domestic product, aggregate demand and aggregate supply. At the end of the semester some of the questions you should be knowledgeable enough to answer include what is unemployment and how is it measured? What is inflation and what are the costs of a high inflation rate or a low inflation rate? What do economists mean by aggregate demand and aggregate supply? What is the difference between the long run and the short run and why is that relevant? Why do some economies grow at different rates? What role does the Federal Reserve play in the economy? What is fiscal policy? We will also learn a little about exchange rates and how they affect the kinds of goods a country buys.

Required Text: Mankiw, N Gregory, "Principles of Macroeconomics 3rd Ed."
Thomson, South-Western

Course Requirements: Students are assumed to have completed the reading assignment prior to the lecture. Expect quizzes, in class worksheets, and occasional homework assignments. There will be 2 "midterm" exams and the final exam. The final exam is cumulative. All quizzes and exams will be primarily multiple choice but may also require a few graphs and short answers. All assignments, exams and quizzes will come from material covered in either the lecture or the assigned readings.

Grading: The "plus/minus" system will be used to assign final grades. Course grades are based on the following weights: homework, quizzes and attendance, in class assignments 20%; Exam 1, 20%; Exam 2: 20%, Final Exam: 40%. Assignments are due in class; late assignments are not accepted. The lowest quiz score or homework score or in class assignment will be dropped before computing the final grade. Final grades awarded are curved based on class performance.

Important Dates:

February 22:	Exam 1
March 31:	Exam 2
May 12:	Final Exam (7:30-9:30 AM, Crawford 105)

Please check your travel and work arrangements to make sure you are able to take the exam on that day. No early/late exams will be given except under extraordinary conditions such as a documented medical emergency.

Class Policies: You will need your UH Student ID# to take exams and quizzes. Homework is due on the day expected. Missed quizzes and late assignments will be recorded with a zero score. You are welcome to email me or the teaching assistant and meet with us in our offices. When emailing, please use your UH email account or identify yourself plainly in your message. We do our best to respond within 24 hours, often sooner.

Class Web Page: The class webpage will feature lecture slides, solutions to quizzes, homework, exams and announcements made in class.

Tentative Schedule

<i>Date</i>	<i>Topics Include:</i>	<i>Chapt :page</i>
Jan 11	Class Policies, Introduction,	
Jan 13	Introduction Thinking like an economist Comparative Advantage, Absolute Advantage	1:1-15; 2:19-42 3: 45-59
Jan 18	Comparative Advantage, Absolute Advantage Supply and Demand Analysis: Determinants of Demand and Supply	3:45-59; 4:63-88
Jan 20	Supply and Demand Analysis: Determinants of Demand and Supply	4:63-88
Jan 25	Supply and Demand Analysis: Determinants of Demand and Supply	4:63-88, 6:113-133
Jan 27	Supply and Demand Analysis: Equilibrium Price Ceilings and Price Floors Quiz 1: Chpts. 2-4	6:113-133
Feb 1	Supply and Demand Analysis Elasticities	5:89-112
Feb 3	Supply and Demand Analysis Elasticities Measuring Social Welfare, Consumer Surplus, Producer Surplus, Market Efficiency	5:89-112 7: 137-158
Feb 8	Measuring Social Welfare, Consumer Surplus, Producer Surplus, Market Efficiency Quiz 2 Chpts. 5-6	7: 137-158
Feb 10	Application: International Trade	9:175-199
Feb 15	Application: International Trade	9:175-199
Feb 17	Review Session	
Feb 22	EXAM # 1	
Feb 24	Measuring a Nation's Income Measuring the Cost of Living	10:203-219 11:223-240
Mar 1	Measuring the Cost of Living Production and Growth	11:223-240 12:241-262
Mar 3	Production and Growth Saving Investment and the Financial System	12:241-262 13:265-284
Mar 8	Saving Investment and the Financial System Quiz 3 Chpts. 10-12	13:267-288
Mar 10	The Basic Tools of Finance	14:287-300
Mar 15	The Basic Tools of Finance Unemployment and its Natural Rate	14:287-300 15:304-324
Mar 17	Unemployment and its Natural Rate; Quiz 4 Chpts. 13-14	15:304-324
Mar 22	Spring Break	
Mar 24	Spring Break	
Mar 29	Review Session	
Mar 31	EXAM # 2	
Apr 5	The Monetary System	16:331-347
Apr 7	The Monetary System Money Growth and Inflation	16:331-347 17:349-373
Apr 12	Money Growth and Inflation Open Economy Macroeconomics	17:349-373 18:379-396
Apr 14	Open Economy Macroeconomics Aggregate Demand and Aggregate Supply	18:379-396 20: 427-455
Apr 19	Aggregate Demand and Aggregate Supply	20:427-455
Apr 21	The Influence of Monetary and Fiscal Policy on Aggregate Demand	21:459-481
Apr 26	The SR Tradeoff Between Inflation and Unemployment	22:485-509
Apr 28	The SR Tradeoff Between Inflation and Unemployment	22:485-509
May 3	Review Session	
May 12	FINAL EXAM 7:30 – 9:30 AM Crawford 105	