

University of Hawaii at Manoa
Department of Economics

ECON 131
Principles of Macroeconomics
Spring 2006 Semester

Instructor: Kyle Hampton

Course Description: The science of economics asks students to abstract themselves from processes that govern the large and small scale phenomena of trade. This process of abstraction focuses one's attention on the organic nature of the market and the role of incentives in directing human enterprise. This course will attempt to develop in the student the intellectual tools for systematic analysis of this dynamic. This entails the learning of a new cadre of terms for economic events and getting comfortable with fundamental economic models.

Topics addressed include models of supply and demand, calculations of growth and inflation, and an introduction to finance. In addition, the course will examine public policy issues using the tools of economic analysis. These topics will include taxation, trade, unemployment, and monetary and fiscal policy. A basic understanding of graphical analysis is critical to getting the most from the course.

Prerequisite: None

Course Structure: Predominately lecture-based with in-class discussion encouraged. The structure of this discussion will depend upon the size of class, the size of the classroom, and the willingness of students to participate. Students will be asked to show some aptitude for integrating their understanding of economics in analysis of real-world events. To this end, students will be asked to contribute short economic writing assignments to a class weblog.

Students will also be required to participate in hands-on experiments that demonstrate economic principles. These experiments will take place both in and out of class and students will be able to earn extra credit points through their participation.

Course Materials:

Mankiw, N. Gregory, *Principles of Microeconomics*, 3rd edition, Thomson South-Western, 2004.

Aplia™ Online Course Materials.

It is critical that students actively engage the material we will be covering in the text and lectures. To this end, a substantial portion of the course grade will be determined by homework problems completed online at the Aplia website.

Determination of Grades:

Aplia Homework 25%
Mid-Term Exam 30%
Blog Entries 15%
Final Exam 30%

Examinations will consist of multiple choice and true and false questions. Exams are closed book, closed notes. The final exam will not be comprehensive. It will deal only with material from the second half of the course. Please bring an official UHM picture ID on the day of the exam.

Course Schedule:

Week 1 (*Jan. 10, 12*) – Chapter 1 – Ten Principles of Economics

Week 2 (*Jan. 17, 19*) – Chapters 2 and 3 – Thinking Like an Economist, Gains from Trade

Week 3 (*Jan. 24, 26*) – Chapter 4 – Supply and Demand Analysis

Week 4 (*Jan. 31, Feb. 2*) – Chapter 5 – Elasticity and its Application

Week 5 (*Feb. 7, 8*) – Chapter 6 - Supply, Demand, and Government Policies

Week 6 (*Feb. 14, 16*) – Chapters 7 and 9 – Market Efficiency, International Trade

Week 7 (*Feb. 21, 22*) – Chapters 8, 10, and 11 – Costs of Taxation, Measures of Growth, Measures of Inflation

Week 8 (*Feb. 28, Mar. 2*) – Chapter 12 – Productivity and Growth

Week 9 – Review Session (*Mar. 7*) – Mid-term Examination (*Mar. 9*)

Week 10 (*Mar. 14, 16*) – Chapters 13 and 14 – Savings and Investment, Fundamentals of Finance

Week 11 (*Mar. 21, 26*) – Chapter 15 – Unemployment

Week 12 (*Mar. 28, 30*) – Spring Break

Week 13 (*Apr. 4, 6*) – Chapters 16 and 17 – Monetary System, Inflation

Week 14 (*Apr. 11, 13*) – Chapters 18 and 19 – Macroeconomics in an Open Economy

Week 15 (*Apr. 18, 20*) – Chapters 20 and 21 – Aggregate Supply and Demand, Monetary and Fiscal Policy

Week 16 (*Apr. 25, 27*) – Chapters 22 and 23 – Inflation and Unemployment, Macroeconomic Debates

Week 17 (*May 2*) – Review Session

Final Exam (*May 11, 9:45 am – 11:45 am*) – Attendance is mandatory. Please bring several No. 2 pencils. Calculators are permitted. There will be no opportunity for taking a make-up examination under any circumstance. Students who miss either examination will be assigned zero points. Any student missing an examination is encouraged to drop the course immediately. Final letter grades will assigned in plus/minus format with “A” being the highest grade possible. Class and office hours attendance is of critical importance to students struggling with the material and is encouraged.