

Economics 131. Principles of Economics: Macroeconomics

<http://www2.hawaii.edu/~gangnes/131main.htm>

(Preliminary; subject to change)

Office Hours

Prof. Gangnes: Tuesday and Wednesday 1:00-3:00, Saunders Hall 513, 956-7285, email: gangnes@hawaii.edu.

Teaching Assistant TBA

Course Description

Economics 131 provides an introduction to the principles of macroeconomics, the study of how the overall economy performs. Topics include the causes and effects of inflation and unemployment; the determinants of national differences in economic growth rates; sources of business cycle expansions and contractions; the role of government policy in stabilizing the economy and promoting long-term growth; financial markets and the Fed's monetary policy; taxes, spending and the problem of budget deficits, the determination of trade imbalances, exchange rate fluctuations and balance of payments crises. We will illustrate key concepts with applications to the US, Hawaii, Asian and global economies.

There is no prerequisite for this course.

Resources

The following course materials are available as a bundle from the bookstore:

Text: Miller, Roger Leroy, *Economics Today: The Macro View*, custom version for UH Economics (13th ed.), Pearson Addison-Wesely, 2006.

Online Resources and Course Administration: *MyEconLab* (also called *CourseCompass*) (<http://www.coursecompass.com>). Subscription included in bookstore bundle or can be purchased separately. CourseID: **gangnes13375**.

Assigned textbook readings for each course section are indicated in the course schedule. From time to time I will assign additional readings on issues of current interest. You are responsible for all assigned textbook and supplementary readings **and the content of my lectures**.

Course Requirements

Grades for the course will be based on two midterm exams (25% each), one comprehensive final exam (30%), homework assignments and quizzes (20%).

Exams:

Exams will consist of multiple choice questions and application questions similar to those in the weekly homework assignments. The midterm and final exams **must** be taken at the dates and times given in the schedule below.

You must bring a valid picture ID card to each exam.

Homework:

A homework assignment will be posted on *MyEconLab* each week and will be due the following week. Some homework assignments may require use of the internet or an assigned reading.

Homework will be selected randomly for grading—6 or 7 assignments over the course of the term. (Since you won't know which are graded, you should complete and turn in each one!) Late homework will not be accepted. After a homework assignment has been returned, the teaching assistant will review the answer during the review session.

Quizzes:

Each week there will be a short online quiz on the material we are studying. You will take the quizzes at the *MyEconLab* web site.

Participation and Other Extra Credit:

I strongly encourage you to attend all lectures, to prepare in advance, and to participate actively in class discussions. I will reward you with a limited amount of extra credit for class participation. There will also be a couple of extra credit homework assignments during the term.

Plus-Minus Grading

I will award plus and minus grades for course work and the overall course grade, according to this [plus-minus grade schedule](#), applied to adjusted (curved) scores.

Academic Integrity

The University has strict standards on academic honesty and severe penalties for dishonesty. Please review carefully this page on [honesty](#) and the language in the University Catalogue.

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.

Suggestions for Studying Economics

Learning economics involves acquiring familiarity with economic concepts and developing the skill of applying economic methods to analyze policy issues. To understand the key economic principles we are studying in class, be sure to keep up with the textbook readings. Look over assigned readings before the lecture, and then read them more carefully afterwards. Use the Powerpoint lectures as a starting point and take careful notes during lectures, since exam questions will be based directly on lecture content and assigned readings.

The weekly homework assignments will give you practice using economic principles to analyze specific problems. Work through these problems carefully. Attend the weekly review sessions for additional help on the previous week's homework assignment. Keep abreast of economic news by reading the business section of a good general newspaper, *The Wall Street Journal*, or *The Economist* on a regular basis.

Our class *MyEconLab* (CourseCompass) web site is the place to go for an up-to-date version of this syllabus, links to topical articles, homework assignments and answers, and copies of my lecture notes. You will also go here to take the weekly online quizzes. The *MyEconLab* site also includes an online version of the textbook (complete with audio-visual demonstrations, etc.), a study guide, a discussion board and other resources.

One *MyEconLab* tool that may be particularly helpful is the *Study Plan*. This interactive study tool allows you to assess our current knowledge by taking sample tests and then, based on your results, it leads you through targeted study of topics you still need more work on. Please see the TA or me if you need help.

Come see me or the teaching assistant if you have questions about the course or your progress, or if you would like additional help. And be sure to consult our class web page often for up-to-date course information.

Course Schedule

The following is a plan for the course, showing exam dates (firm) and a lecture schedule (tentative).

<u>Date</u>	<u>Begin Discussing:</u>	<u>Text Chapter</u>
Jan. 9	Course Overview, Intro to Economics	1
11	Macroeconomic Issues and the Policy Challenge	7
16	Economic Fundamentals	2
18		
23	Demand, Supply and Equilibrium	3
25		
30	Measuring Macroeconomic Performance	8
Feb. 1		
6	Economic Growth	9
8		
13		
15	First Midterm	
20	Output and Prices in the Long Run	10
22		
27	Explaining Macroeconomic Fluctuations	11
Mar. 1		
6	Fiscal Policy	13
8		
13	Deficit Spending and the Public Debt	14
15	Money and the Financial System	15
20		
22	Second Midterm	
27	Spring Break -- No class	
29	Spring Break -- No class	

Apr.	3		
	5	Monetary Policy	17
	10		
	12		
	17	Macroeconomic Stabilization Challenges	18
	19		
	24	Exchange Rates, Balance of Payments and Crises	34
	26		
May	1	Last Day of Class	

Final Exam: Thursday, May 10, 9:45-11:45 A.M.