

Economics 131. Principles of Macroeconomics

**** Preliminary--Subject to Change****

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

Office Hours

Prof. Gangnes: TBA, Saunders 513, 956-7285, gangnes@hawaii.edu.

Teaching Assistant: TBA

Student Learning Outcomes

1. To be familiar with and able to explain key principles of macroeconomics, including the causes and effects of inflation, unemployment and income inequality; determinants of international differences in economic growth rates; sources of business cycle fluctuations; 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.
2. To be able to use appropriate models to analyze the issues listed above, and to draw appropriate conclusions about the likely effect of economic developments and policy interventions.

There is no prerequisite for this course.

Resources

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

Text: Robin Bade and Michael Parkin, *Foundations of Macroeconomics* (with MyEconLab for Coursecompass), 4th ed. Pearson Addison-Wesley, 2009.

Course Administration and Online Resources: *MyEconLab in CourseCompass*

(<http://www.coursecompass.com/>). Subscription included in bookstore bundle or can be purchased separately. CourseID: **TBA**

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 (20% each), one comprehensive final exam (30%), homework assignments (20%), and in-class quizzes and activities (10%).

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:

There will be a *MyEconLab* homework assignment each week, which you will complete online. Late homework will not be accepted. While I encourage you to study with other students, I expect you to complete your online homework individually. The teaching assistant will go over homework answers during the next weekly review session.

In-Class Quizzes and Exercises:

Approximately once each week there will be a short in-class quiz or exercise on the material we are studying. Only students in attendance will be able to complete these activities. In some cases, you may be asked to work in small groups to complete the in-class exercise.

Class Participation:

I expect you to attend all lectures, to prepare in advance, and to participate actively in class discussions. I will reward you with extra credit for class participation.

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, online homework assignments, and copies of my lecture notes. The *MyEconLab* site also includes an online version of the textbook, a study guide, a discussion board, current news stories, and other resources.

One *MyEconLab* tool that may be particularly helpful is the *Study Plan*. This interactive study tool allows you to assess your 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.

[VangoNotes for Foundations of Economics, 3/e](#) (click link in online version of this syllabus) are MP3 audio files that provide 20-25 minute chapter reviews and practice quizzes. (Your instructor wrote the scripts for most of the macro chapters, so maybe this will give you an idea of what he thinks is important!) These are an added-cost textbook supplement, and you can buy individual chapters or the whole book. Note that these were written for the previous edition of the textbook, and the order and content of chapters has changed somewhat, so let me know if you have any questions.

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. 13	Course Overview, Intro to Economics	1
15	The Macroeconomy and the Macro Policy Challenge	2
20 22	Economic Fundamentals	3
27 29	Demand, Supply and Equilibrium	4
Feb. 3 5	Measuring the Economy's Output	5
10 12	First Midterm	
17 19	Inflation , Employment and Unemployment	6, 7
24 26	The Financial System and Monetary Policy	11
Mar. 3 5	Money, Interest and Inflation	12

<u>Date</u>	<u>Begin Discussing:</u>	<u>Text Chapter</u>
10	Aggregate Supply-Aggregate Demand	13
12	and the Business Cycle	
17		
19	Second Midterm	
24	<i>Spring Break -- No Class</i>	
26		
31	The Short-Run Policy Tradeoff	15
Apr. 2		
7	Fiscal Policy	16
9		
14	The Economy in the Long Run: Potential GDP	8
16		
21	Economic Growth	9
23		
28	Exchange Rates, Balance of Payments and Crises	19
30		
May 5	Last Day of Class	

Final Exam: Thursday, May 14, 9:45-11:45 AM