

SYLLABUS
ECON 131 SEC. 601
INTRODUCTION TO MACROECONOMICS
SUMMER I 2004

Instructor: Gary S. Kikuchi Saunders 508 (formerly SSB) tel: 956 7840 (or leave message at
the econ. office—956 8496)

Office Hours: By appt.
Email: gkikuchi@hawaii.edu

Required Texts: **Principles of Macroeconomics** by Karl E. Case and Ray C. Fair and **Principles of Macroeconomics Study Guide** by Thomas Beveridge. Please buy the 7th Edition. They are sold as a package at the bookstore.

Course Description: Economics is the study of how individuals and societies choose to use scarce resources to satisfy unlimited human wants. In Macroeconomics, we study how the overall economy works. Students will be introduced to economic models that are designed to explain certain macroeconomic phenomena and problems such as growth, output, unemployment, and inflation. In addition, we will analyze certain aspects of the financial system. We will also analyze the strengths and weaknesses of the different government policies in influencing the overall economy. Mathematical skills beyond simple algebra (including solving simple linear systems of equations) and graphical analysis are not required in this course.

Objectives: By the end of the semester, students are expected to learn the following: **1)** the language and terminology of Macroeconomics, **2)** the basic methodology and models of Macroeconomics and the application of these models, and **3)** problem-solving skills. 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.

Exams and Grading Policy: There will be **9 quizzes, one midterm and a final** for this course. Your final grade will be calculated in the following manner:

Quizzes: Nine unannounced quizzes will be given in class during the semester. Each quiz will be about 5-10 minutes in length. The top five scores will be taken and will count for 20% of your grade. These quizzes are designed to reward those who regularly attend class and do their work. **Therefore, no make-up quiz will be given under any circumstance.** Any missed quiz will be given a grade of zero. Plan accordingly.

Midterms and Final: The midterm will count for 35% of your grade, and the final will count for 45% of your grade.

Homework: Homework will be given out in class on Fridays and will be due the following Friday. They will not count for your final grade. They are meant as a guideline on how well you understand the material presented in class and in the textbook. Therefore, while not doing your homework will not penalize you directly, it has been my experience that students who make a conscientious effort to do all the assigned work do better on exams.

Rules and Regulations: Make-up Exams: As stated before, **no make-up quiz will be given for any reason.** Please note ahead the scheduled dates of the midterms and the final and make sure you can attend the exams. Unless you have a very good reason for missing the exams, no make-up exam will be given (If you miss one midterm and have no good reason for missing it, you will be given a grade of zero for that midterm, and method two will be used to calculate your final grade). The only acceptable reason for missing an exam is your own illness or other family emergencies. If this applies, please make a **xeroxed** copy of the "Report of Absence from Exam" form attached at the end of this syllabus and fill it in and return it to me. You must also have a signed excuse from your physician in case of illness stating the nature of your illness (a statement saying that you weren't feeling too well is NOT enough). Your petition

will be considered and I will get back to you. If I accept your petition, a make-up exam will be administered. Please note that the make-up exam will be entirely different from the original exam. Please bring **pencils, erasers and a calculator** to the exam, as we will be using a scantron sheet for parts of the exam. The machine will only read pencils, no pens! **Failure to follow procedures will result in a penalty on your grade, so please listen to all instructions.**

Grade Appeals: Grades will only be changed if there is a mistake in grading on our part. If you believe there is such a mistake, please write a short report detailing where and why you believe there is an error in grading and turn in both your exam and the report to me.

Attendance: While attendance is not mandatory, your grades will suffer if you miss the quizzes. Some topics not covered in the textbook will be introduced in lectures and you will be held responsible for them on exams. Moreover, experience tells me that students who miss class do not perform well on exams. Lastly, students are responsible for being aware of any and all announcements that are made in class.

Academic Honesty: Simply put, cheating will not be tolerated. Any student caught cheating on any quiz, midterm or final will be given a grade of zero for that exam, and will be reported to the University for any other disciplinary action.

Disability: If you need special consideration(s) due to some disability, please see me as soon as possible (but no later than two weeks before the exam) to make any necessary arrangement to accommodate you.

Some Suggestions: Please try to do all your readings as scheduled. I understand that this is not always possible for a variety of reasons, but falling too far behind in the readings is not a very good practice. In this class, each new section will build upon the concepts learned in the earlier sections, and you will not be able to understand the current lectures unless you understood the previous lectures.

You must take notes in class to succeed in this class. You are also encouraged to form study groups to go over the lectures, homeworks, notes, etc. The only time you are not allowed to cooperate is on exams and quizzes. Otherwise, you should try to exchange ideas with your fellow students.

I am open to suggestions. If you have any complaint about the way the lectures are organized, please let me know. While it may not be possible to incorporate all suggestions, I will do my best to accommodate your suggestions.

Participation in class is always encouraged. If you have questions or you do not agree with me on certain points, feel free to speak up. In terms of asking questions, keep in mind that there is no such thing as a stupid question. It is far more stupid not to ask a question and be confused, especially during an exam, since I won't answer most questions during exams! If you are unsure about something, ask me to clarify—chances are, other students feel the same way and will benefit from your questions, too. If you still feel that you don't want to speak up, by all means ask the question after class. I can't read minds so you must take the initiative to let me know when you are confused. Remember, even if your question isn't the smartest one ever asked, at least you will know the right answer by asking the question. If you don't ask the question and take the doubt with you at exam time, that could hurt you. And, by all means, make use of the office hours that we have posted. You are paying for this class, and you should therefore make use of all available help. Under no circumstance should you stay confused. As I have stated before, each concept in this class builds on the previous concepts, so if you are confused, it won't get better later on unless you resolve your problems as soon as possible.

SCHEDULE

When the assigned chapter number is followed with an "A", the appendix of that chapter is part of the required reading (e.g., "1A" means that you must also read the appendix to chapter one).

<u>WEEK</u>	<u>TOPIC</u>	<u>TEXTBOOK</u>
5/24	Introduction to Economics	Ch. 1, 1A, 2, 3,4
5/31	Introduction to Macroeconomics Measuring National Output and National Income (No class on Monday)	Ch. 5 Ch. 6
6/7	Macro Problems: Unemployment and Inflation; Aggregate Expenditure and Equilibrium Output; The Government and Fiscal Policy (No class on Friday)	Ch. 7 Ch. 8, 8A Ch. 9, 9A-A, 9A-B
6/14	The Money Supply and the Federal Reserve System; Money Demand, the Equilibrium Interest Rate and Monetary Policy; Money, the Interest Rate and National Income Midterm: June 16th	Ch. 10 Ch. 11 Ch. 12
6/21	Aggregate Demand, Aggregate Supply and Inflation; The Labor Market, Unemployment and Inflation	Ch. 13 Ch. 14
6/28	Debates in Macroeconomics; Open Economy Macro-BOP and Exchange Rates	Ch. 19 Ch. 21

FINAL EXAM: FRI. July 2nd in class

