Course Syllabus

Econ 131: Principles of Macroeconomics
Summer II 2010
July 6 – August 13
9:00–10:15 am, M–F

Instructor: John Rush

Contact: rushiv@hawaii.edu

Office Hours: TBA

Course Description:
A one-semester course covering the principle concepts of macroeconomic theory, providing students with a deeper understanding of the world around them allowing them to become better decision-makers and voters. In light of this goal, the course will focus on the fundamental motivations of and assumptions made by economists, the methods used by economists, and the economic perspective on choices and their consequences. A significant amount of time will be dedicated to policy issues resulting from the presence of business cycles, inflation, and unemployment as well as the challenge of achieving long-term growth. The discussion of these topics in class will generally take place assuming the context of a market economy.

Course Objective:
The objective of this course is to support the Economics Department in its effort to promote economic literacy and critical thinking. Successful completion of this course should result in the following Student Learning Outcomes: 1) confidence in interacting with the terms and ideas found in public reporting and discussion of economic issues, 2) understanding of the types of questions economists ask and how they go about answering them, and 3) ability to intelligently observe and explain the functioning of a market economy, including the justifications and consequences of various types of government action.

Required Text:

*The Republic* by Plato

Food for Thought (optional):
*Robinson Crusoe* by Daniel Defoe

*An Inquiry into the Nature and Causes of the Wealth of Nations* by Adam Smith

Reading to Aid Understanding (optional):

---

1 This syllabus is intended to be as accurate as possible, but the instructor may make modifications when necessary.
Basic Economics by Thomas Sowell

**Assessment:**
The final grade in this course will be based on homework assignments, in-class quizzes (no less than 4 and no more than 9), one mid-term exam which will take place no later than the last class of the 4th week (July 30), and one comprehensive final exam which will take place on the last scheduled day of class (August 13).

Students will receive one of the following grades A, A-, B+, B, B-, C+, C, C-, D, or F calculated using the following weights:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homework</td>
<td>15%</td>
</tr>
<tr>
<td>Quizzes</td>
<td>20%</td>
</tr>
<tr>
<td>Mid-Term Exam</td>
<td>30%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>35%</td>
</tr>
</tbody>
</table>

If no student receives a grade above 92% on a given exam then all grades will be converted as follows: A student’s final grade for the exam will be the ratio of the initial grade received to the highest unadjusted score in the class multiplied by 93 and rounded to the nearest whole number.

For example, if the top score for the mid-term is 88 and another student’s score is 76, the first student will receive a grade of 93% and the second student’s grade will be calculated as follows:

\[
\frac{76}{88} \times 93 = 80\%
\]

**Attendance:** Attendance is not mandatory. If you can get the grade you want without coming to class every day that is fine with me. However, if you miss a quiz there will be no opportunity to make it up. If you do not submit your homework on time I will not accept late submissions. I will make no effort to communicate in-class announcements concerning homework/quizzes/mid-term/final to those who are habitually absent. If you miss the mid-term or final exam, I will only provide an opportunity to make it up given documented emergency (i.e. health related, death of immediate family member, etc.) circumstances which prevent you from taking the exam. Also, if your final grade is within one percentage point of a higher letter grade, a record of perfect attendance will result in my giving you the higher grade. For example: If your grade is 89% (B+), perfect attendance will result in the grade you receive being 90% (A-).

**Homework:** I will periodically assign problems related to the course material which will help you prepare for the exams. You do not want to cruise through the class thinking you understand everything only to have your bubble burst on the mid-term. Homework gives you an opportunity to see how well you really know what is going on. If you encounter any difficulties with the homework, please discuss them with me.

**Quizzes:** I will periodically administer a quiz covering the Colander and/or Plato readings. You will not receive advanced notice of these quizzes. Your quiz with the lowest grade will be
dropped at the end of the semester. Under no circumstances can you make up a missed quiz. In-class quizzes are closed book and no aids or assistance is permitted.

**Exams:** Exams will contain a variety of question types based on both the Colander readings and lectures. Additionally, exams will have extra credit questions based on the Food for Thought readings. Exams are closed book and no aids or assistance is permitted.

I recognize that there are difficulties related to taking the first exam in a course. In order to provide some grace in this situation, if you take the mid-term and your grade is at least 33.3% but lower than that on the final exam, the average score for the two exams will be substituted in the place of the original mid-term grade.

The Final Exam will be comprehensive.

**Extra Credit:** Opportunities for extra credit will be provided, primarily based on the Food for Thought readings. However, on any given quiz or exam, extra credit cannot raise your score above 100%.

**Academic Honesty:** Cheating and plagiarism will not be tolerated. If you cheat or plagiarize on any assignment, you will receive a grade of zero for the assignment and be referred to the University for consideration of further disciplinary action.

**Disability:** If you suffer from a documented disability which requires special accommodation, please let me know as soon as possible.

**Outline of Course Topics**

I. Why are There Economists and What Do They Do?
II. Exchange and Coordination
III. The Market, Efficiency, and Welfare
IV. International Trade
V. Gross Domestic Product: How Much Do We Make?
VI. Prices and the Cost of Living
VII. Unemployment
VIII. Growth
IX. The Financial System
X. Where Does Money Come From?
XI. Inflation
XII. Booms, Busts, and Washington, D.C.