



Fall 2015

Econ 002: Principles of Economics

(Macroeconomics)

Section #: 8065, 3 Units

Syllabus

Instructor: Catherine E. Levitt, Ph.D

E-mail: levittce@ wlac.edu

Time & Place: Fully Online, 8 week Intensive

Office Hour & Place: Virtual office Hours by appointment or by private message. All Communications and assignments must be done through the course website on Etudes. No emailed or other communications are appropriate unless the website access is down.

Required Text:

The required text for the course is: William A. McEachern. **Econ Macro , Student 4th Edition,**

(South-Western Cengage Learning). ISBN 978-128-542-3623. You may also use the 3rd edition of this textbook.

Course Mate Instant Access Card and APLIA are optional.

The text book will be on reserve in the library for short term use only.

Textbook Website

<http://www.cengagebrain.com/t1/en/US/storefront/US?cmd=catProductDetail&ISBN=9781439040676&cid=APL1>

(For each chapter of the text there are learning aids, including downloadable supplements, economic links, teaching tips, a glossary, and study tips.)

You will find links to videos, simulations, and other materials throughout the course. Following the Economic news through the Wall Street Journal and/or the Economist Magazine is recommended.

Significant dates for Fall 2015:

- Aug 31 Classes begin
- Sept 8 Last day to drop classes and receive a full refund
- Sept 8 Last day to drop classes without a “W” as the final grade
- Sept 20 Midterm 1 will be available on Thursday, January 15
- Sept 27 Midterm 2 will be available on Tuesday, January 20
- Oct 9 Last day to drop classes with a “W” as the final grade
- Oct 17 Final exam will be available on **October 17**
- Oct 25 Semester ends

Accessing Fully Online Classes

Disclaimer: The syllabus is subject to change.

* Log on

You can access Econ 2 by logging in at this URL:

<http://etudes-ng.fhda.edu/portal>

Your login ID is the first 2 letters of your first name + the first 2 letters of your last name + the last 5 digits of your Student ID Number (not your social security number). If this is your first ETUDES NG class your password is your Month and Day of birth. However, since NG passwords are permanent, if you have already taken a NG class your password has not changed. Many students who have taken NG classes from us earlier have the password “student”.

If you do not know your new Student Identification Number you can look it up using the Student Information System (SIS) at <http://www.laccd.edu> To do so, you will need to login to the SIS system using your SSN. Your SIS password is your Month and Day of birth in school records.

Example: Juan Straub, 88-459-0210, born July 4

- User ID: just90210
- Password: 0704

After you login you will see a list of the courses you are enrolled in on the top menu bar to the right of My Workspace. Just click on a course number to access a course. Once you have entered the course, use the left-side menu to navigate the course.

If you have trouble accessing the course on or after the first week of school, click on the Technical Requirements link at <http://www.wlac.edu/online> to access the Student Help Desk forum where your issue is likely addressed in the Frequently Asked Questions section. If not, scroll down to the WEST ~ WLAC section and post a message explaining the problem or contact the WLAC Distance Learning Program Office at (310)287-4305 or via email: ichone@wla.edu.

Basic Computer Skills and System Requirements:

There are a few requirements unique to an online course. Failure to meet any of these may prevent you from getting the most from your online experience.

You must have:

- * A computer with at least 64 MB of RAM and a minimum 56K modem
- * A reliable internet service provider

- * Access and the ability to navigate the internet
- * The ability to send and receive e-mails
- * Microsoft Word, Excel and Power Point

About the Online Environment:

Your online course offers several advantages to a traditional classroom. Not only does the site offer easy communication with other students and your teacher, it allows access to a wealth of online resources. I encourage you to use this forum to exchange ideas, resources and comments with your fellow students and learn from what others know.

You are required to ‘attend’ class by keeping up on announcements, readings, assignments and exams, in addition to participating in weekly discussions. A student in an online course must be prepared to act independently and to encounter technical glitches of all kinds. If you experience technical difficulties that may prevent you from keeping up with the curriculum, you must let me know immediately via e-mail so we can work out a solution

COURSE OUTLINE

Course Description:

This introductory macroeconomics course provides an understanding of how a nation's economy works. Give students a better understanding of macroeconomic policy issues and the potential and limitations of economic policy. To enable students to critically evaluate conflicting economic policy proposals.

This course is an introduction to the field of macroeconomics. Topics to be analyzed include an analysis of the behavior of the national economy as a whole, together with such issues as the determination of gross domestic product, the unemployment rate, the inflation rate, interest rates, and the long-term economic growth rate. In addition, global issues such as the role of the exchange rate and the balance of trade are analyzed.

Macroeconomics is oriented largely toward national economic policy. The topics will discuss in this course appearing regularly in the press and on the nightly news. This course will help students understand how the national economy works and see the reasons (or lack of good reasons!) for macroeconomic policy proposals put forth by our elected officials. It will help student to judge what policies you, as an informed member of society and participant in the economy, will or will not support

Course Objectives:

The goal of this course is to introduce you to the basic concepts and principles of macroeconomics. At the end of this course, students should have a deeper understanding of how

people make decisions, how people interact, and how the economy as a whole works. Provide students with a framework for viewing and interpreting the economic world around them. At the conclusion of this course, students will have enhanced their abilities as critical thinkers, effective communicators, and as problem solvers. When you complete this course you should be able to:

1. Define and describe the principle tools used in economic analysis
2. Describe the central economic problem of scarcity and the economic resources which are available to produce goods and services to satisfy society's material wants.
3. Explain the significance of supply and demand and how prices are determined in markets.
4. Analyze the economic roles played by individuals households, firms, governments and international trading partners in the U.S. economy.
5. Calculate the rate of unemployment and the rate of inflation using numerical data.
6. Calculate Gross Domestic product using numerical data
7. Examine the primary determinants of economic growth.
8. Analyze how various economic changes impact national output unemployment, and inflation using an Aggregate Supply and Demand model.
9. Describe and discuss the principal tools for fiscal policy and how the federal government uses these tools to correct unemployment and inflation.

Course SLOs

- Collect, analyze, and interpret the data on GDP, price level, and unemployment rate.
- Use the aggregate demand (AD) – aggregate supply (AS) model to predict short-run changes and long-run trends in prices, output, and employment.
- Explain the role of the Federal Reserve System in the US economy and describe the major tools of monetary policy

Grading:

Your grade will be based on quiz, midterms, final exam, discussions, and homework assignments. Weight of each evaluation component is as follows:

| | |
|--------------------------|-------|
| Quiz | : 15% |
| Midterm Exams | : 25% |
| Homework Assignments | : 20% |
| Discussion/Participation | : 20% |

Final Exam : 20%

Grading scale is as follows:

| | |
|----------------|---|
| 90 - 100 % | A |
| 80 - 89 % | B |
| 70 - 79 % | C |
| 60 - 69 % | D |
| 59 % and below | F |

Homework Assignments:

There will be 4 homework assignments. There will be a homework assignment posted with due dates on ETUDES-NG. Assignments will be based on end-of-chapter questions and some signed material. The homework assignments are provided as a learning aid for students and are designed to synthesize information from lecture, textbook and outside sources. If you understand the assignments, you will likely do well on the exams. Homework assignments are considered important and are therefore worth 20%.

Participation:

Discussion topics related to current material. Discussion is an important part of the class. It is where students and the instructor can talk about topics in detail and explore difficult issues. You are encouraged to find articles (from the internet or other sources) and share them with the class. You are required to post your own meaningful response to each question and to respond to the discussion posts of at least 2 other students each week. Content of each post is important. There are 8 Discussion Forums

Discussion Etiquette:

Discussion should be a learning experience for everyone. It's a great opportunity to present information as well as ask questions. For this reason it is important that no one is turned off by someone's remarks. We want to examine controversial ideas but we want the ideas to conflict, not the people involved. If you disagree with something, make it clear that you are disagreeing with the idea, not the person (who may not even agree with the idea themselves). In short, treat people and their remarks with respect, even when disagreeing.

Class and College Policies:

- **Make-up Exam Policy:** An exam may be made up ONLY for "serious and compelling reasons" and provided that arrangements are made in advance. Documentation may be required at the instructor's discretion. Quizzes will be re-opened during the last week upon request.
- **Plagiarism and Cheating Policy:** Plagiarism in the homework and cheating in the exam will not be tolerated. The College Policy applies to plagiarism and cheating.
- Under the Americans with Disabilities Act of 1990 (ADA) and Section 504 of the Rehabilitation Act, it is required that the College provide reasonable accommodations to students with a verified disability. This may include but is not limited to adaptive testing, tape recording of class lectures, note takers, scribes,

readers, American Sign Language interpreters, adaptive technology, and enlarged print materials. Please contact your instructor or Adrienne Foster, the Director of Disabled Student Program & Services, at X4450 (off-campus: 310-287-4450) for the arrangement.

Course Outline:

| Dates | Topics | Reading & Assignments |
|-------------------------|--|--|
| Week 1 August 31 | The Art and Science of Economic Analysis. 2. Economic Tools and Economic Systems <i>Topics: Types of economic resources; the principle of efficient allocation of scarce resources to current economic issues; the importance of full employment and full production; a production possibilities frontier.</i> | Read Chapters 1 – 2 Discussions 1 and 2 Homework 1 Modules 1 and 2 |
| Week 2 Sept 7 | 3. Economic Decision Makers. 4. Demand, Supply, and Markets. <i>Topics: The rise of US agriculture, including its successes and problems; identify key issues in the current US economy, a circular flow diagram, the major revenue sources and expenditure categories of the federal, state, and local governments; average and marginal tax rates; types of taxes collected in the US.</i> | Read Chapters 3 – 4 Discussion 3, Homework 2, Quiz 1 Modules 3 and 4 |

| | | |
|------------------------------|---|--|
| | <p>4. Demand, Supply, and Markets.</p> <p><i>Topics: the price mechanism, and competition, the demand curve; the supply curve; equilibrium, shortages, and surpluses in a supply and demand diagram; shifts in supply and demand and the significance of these shifts; reasons for changes in demand and supply; changes in equilibrium quantity and price.</i></p> | |
| <p>Week 3</p> <p>Sept 14</p> | <p>5. Introduction to Macroeconomics.</p> <p>6. Tracking the U.S. Economy. 7. Unemployment and Inflation.</p> <p>8. Productivity and Growth.</p> <p><i>Topics: Key events in US economic history</i></p> <p><i>Topics: Components of GDP; the total expenditure line; the expenditure and flow-of-income approaches used to measure GDP; real GDP and per capita GDP; the shortcomings in measuring GDP.</i></p> <p><i>Topics: The history of U.S. industrialization, productivity, and the standard of living; the meaning of productivity growth; the factors affecting US productivity growth and the arguments about their relative importance.</i></p> | <p>Read Chapters 5-6</p> <p>Read Chapters 7-8</p> <p>Discussion 4.</p> <p>Homework 3.</p> <p>Quiz 2</p> <p>Modules 5 and 6</p> |

| | | |
|---------------------------|--|---|
| <p>Week 4 Sept 21</p> | <p>9. Aggregate Expenditure Components. 10. Aggregate Expenditure and Aggregate Demand 11. Aggregate Supply.</p> <p><i>Topics: Consumption, savings, disposable income, autonomous and induced consumption; the consumption and savings function; the effect of each determinant of consumption.</i></p> <p><i>Topics: The logic of Say's Law; aggregate supply diagram; the short-run and long-run aggregate supply curves.</i></p> | <p>Read Chapters 9-10. Read Chapters 11 Discussion 5, Mid Term 1 Modules 7</p> |
| <p>Week 5 Sept 28</p> | <p>12. Fiscal Policy. 13. Federal Budgets and Public Policy.</p> <p><i>Topics: The Keynesian critique of the classical system; the Keynesian policy prescriptions; a deflationary gap and inflationary gap on an aggregate expenditures diagram; the multiplier and its significance; automatic stabilizers.</i></p> <p><i>Topics: The federal deficit and the debt.</i></p> | <p>Read Chapters 12-13 Discussion 6, Quiz 3 Module 8</p> |
| <p>Week 6 Oct 5</p> | <p>14. Money and the Financial System. 15. Banking and the Money Supply.</p> <p><i>Topics: The origins of the US banking system; money creation in principle and in a modern economy; the role of deposit insurance in the US; the major functions of money.</i></p> <p><i>Topics: The US money supply; M1 and M2; credits cards and debit cards,</i></p> | <p>Read Chapters 14 and 15 Discussion 7, Mid Term 2 (January 20th open) Module 9</p> |

| | | |
|--------|--|-----------------------------|
| | <i>Goldsmiths, influences on the demand for money; the importance of the liquidity trap</i> | |
| Week 7 | 16. Monetary Theory and Policy. | Read Chapters 16 and 17 |
| | 17. The Policy Debate: Active or Passive? | Discussion 8, Homework 4 |
| Oct 12 | <i>Topics: The history, structure, and functions of the US Federal Reserve system; deposit expansion based on fractional reserve banking; the deposit expansion multiplier and potential expansion of the money supply; the overall effectiveness of monetary policy</i> | Quiz 4 Module 10 |
| | <i>Topics: The equation of exchange and its importance; the crude and sophisticated version of the quantity theory of money; the propositions of Keynesian and monetarist theory; Keynesian and monetarist ideas both historically and theoretically.</i> | |
| Week 8 | 18. International Trade | Read Chapter 18, 19, 20 |
| Oct 19 | 19. International Finance | |
| | 20. Transitional Economies and Emerging Economies | |
| | <i>Topics: The balance of payments; the US current and capital account balances; the shifts in exchange rate systems since 1933; the foreign exchange market in a supply/demand diagram; the pros and cons of fixed and</i> | Module 11 Final Exam |

| | | |
|--|--|--|
| | <i>flexible exchange rate systems; the problems posed by the US persistent current account deficits and capital account surpluses.</i> | |
|--|--|--|

This syllabus is subject to revision with prior notification to the student by the instructor.