



Principles of Macroeconomics
(ECON 002)
Section #0907
Spring 2015

Instructor : Dr. Meric Keskinel
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Course website : <http://myetudes.org>
Office Hours : MW, 7:30am – 9:30am, General Classroom Building 380 G
W, 8:00pm – 9:00pm and F, 11:00am – 12:00pm. (Etudes NG Chatroom),

Catalog Course Description

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.

Introduction

Macroeconomics is concerned with the economy as a whole and the relationships between broad economic indicators. The course will cover the aggregate economy: GDP, inflation, business cycles, unemployment, fiscal and monetary policies, economic growth, productivity, and the federal deficit.

The tools of macroeconomic analysis will be developed and applied to national economic problems facing the U.S. and other market-oriented economies. Contemporary macroeconomic problems including concern about the economy moving into a recession, economic growth rates, inflation, consumer spending and personal saving, fiscal policy, monetary policy, national debt and deficits, unemployment rates, international value of the dollar, and trade deficits will be discussed. Understanding underlying economic issues, economic policies and their probable consequences is a focal point of this course.

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-term 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.

Required Materials

Required Text: William A. McEachern, *ECON Macro*, Student Fourth edition, Cengage. 2014. ISBN: 9781285423623. The textbook will be on two-hour, overnight, and 3 day reserve in the library. (The third edition of the textbook is OK.)

Online purchase option: www.cengagebrain.com

Optional Materials: Students are encouraged to read the *Wall Street Journal*, *Financial Times*, *The Economist* or *Business Week* to keep current on economic issues.

Grading Scale

Range	Grade
90 - 100 %	A
80 - 89 %	B
70 - 79 %	C
60 - 69 %	D
Below 59%	F

Methods of Evaluation

Your grade will be based on your top two midterms, a final exam, and homework assignments. Weight of each evaluation component is as follows:

Top 2 Midterm Exams	50% (each 25%)
Homework Assignments	20%
Final Exam	30%
Total	100%

Assessments	Points
Top 2 Midterms (The lowest of the 3 midterms will be dropped)	150 points
Assignments	120 points
Final Exam	180 points
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Total points possible:	600 points

The exams will be based on readings from the textbook and lectures. The exams consist of multiple choice, problem solving, graphs, and short answer questions. All exams are closed book and closed notes. There will be no *make-up exams*, with the only exception being an emergency with sufficient and adequate documentation to prove it.

College Policies and Standards

Academic Integrity (Plagiarism)

In accordance with code 9803.28, academic dishonesty is prohibited and will not be tolerated in this class. Violations of academic integrity include, but are not limited to, the following actions: cheating on an exam, plagiarism, working together on an assignment, paper or project when the instructor has specifically stated students should not do so, submitting the same term paper to more than one instructor, or allowing another individual to assume one's identity for the purpose of enhancing one's grade. Academic dishonesty of any type, such as cheating or knowingly furnishing false information, by a student provides grounds for disciplinary action by the instructor or college. In written work, no material may be copied from another without proper quotation marks, footnotes, or appropriate documentation. Plagiarism will result in a zero for the assignment, possible dismissal from the class and disciplinary action from the college. You will not receive credit for any essay missing previous drafts, citations and/or a Works Cited page.

Student Conduct

According to code 9803.15, disruption of classes or college activities is prohibited and will not be tolerated. Refer to the catalog and the Standards of Student Conduct in the Schedule of Classes for more information.

Recording Devices

State law in California prohibits the use of any electronic listening or recording device in a classroom without prior consent of the instructor and college administration. Any student who needs to use electronic aids must secure the consent of the instructor. If the instructor agrees to the request, a notice of consent must be forwarded to the Vice President of Academic Affairs for approval (WLAC College Catalog).

For more information refer to the attached link:

http://www.wlac.edu/academics/pdf/WLAC_12-14Catalog_Policies.pdf

Office of Disabled Student Programs and Services (DSP&S)

Student Services Building (SSB) 320 | (310) 287-4450.

West Los Angeles College recognizes and welcomes its responsibility to provide an equal educational opportunity to all disabled individuals. The Office of Disabled Students Programs and Services (DSP&S) has been established to provide support services for all verified disabled students pursuing a college education. DSP&S students may qualify for: priority registration, registration assistance, special parking permits, sign language interpreters and assistive technology (WLAC College Catalog).

Instructional Support (Tutoring) & Learning Skills Center

Heldman Learning Resources Center (HLRC) | (310) 287-4486

Improve your reading, language, vocabulary, spelling, math fundamentals and chemistry knowledge with convenient, self-paced computer-aided courses in the Learning Skills Center. Increase your knowledge and learning success: sign up for tutoring in various college subjects (WLAC College Catalog).

Library Services

Heldman Learning Resources Center (HLRC) | (310) 287-4269 & (310) 287-4486

The WLAC Library provides instruction on how to use the online catalog, periodical and research databases. In addition to a large collection of books, periodicals and videos the WLAC Library has course textbooks which students may use while in the Library. Web access is available in LIRL as well as meeting rooms. The upper floors provide a beautiful view ideal for study (WLAC College Catalog).

For more information refer to attached link:

http://www.wlac.edu/academics/pdf/WLAC_12-14Catalog_Policies.pdf

Detailed Course Schedule and Course Objectives

Week 1

Part 1: Introduction to Economics.

1. The Art and Science of Economic Analysis.
2. Economic Tools and Economic Systems.

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.

Week 2

3. Economic Decision Makers.

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.

Week 3

4. Demand, Supply, and Markets.

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.

Week 4

Part 2: Fundamentals of Macroeconomics.

5. Introduction to Macroeconomics.

Topics: Key events in US economic history

Week 5

6. Tracking the US Economy

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.

Week 6

7. Unemployment and Inflation.

Topics: The unemployment rate and the inflation rate; types of unemployment; problems in the current measures of unemployment and inflation; the causes of inflation.

Week 7

8. Productivity and Growth.

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.

Week 8

9. Aggregate Expenditure and Aggregate Demand.

Topics: Consumption, savings, disposable income, autonomous and induced consumption; the consumption and savings function; the effect of each determinant of consumption.

Week 9

10. Aggregate Supply.

Topics: The logic of Say's Law; aggregate supply diagram; the short-run and long-run aggregate supply curves.

Week 10

11. Fiscal Policy

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.

Week 11

Part 3: Fiscal and Monetary Policy.

12. Federal Budgets and Public Policy

Topics: The federal deficit and the debt.

Week 12

13. Money and the Financial System

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.

Week 13

14. Banking and the Money Supply

Topics: The US money supply; M1 and M2; credits cards and debit cards, Goldsmiths, influences on the demand for money; the importance of the liquidity trap

Week 14

15. Monetary Theory and Policy.

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.

Week 15

16. Macro Policy.

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.

Week 16

18. International Finance.

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 flexible exchange rate systems; the problems posed by the US persistent current account deficits and capital account surpluses.

Important Dates, Holidays, and Breaks

Midterm 1, covering chapters 1-4, is on Monday, March 9.

Midterm 2, covering chapters 5-8, is on Monday, March 30.

Midterm 3, covering chapters 9-12, is on Monday, May 11.

Final Exam, covering chapters 13 – 16, 18 is on Wednesday, June 3 at 10:15am.

Campus Closed on February 16, (Presidents' Day)

April 4 - 10, (Spring Break)

May 25, (Memorial Day)

Course Website (ETUDES-NG) Login Info:

You may access course website by logging in at this URL: <http://myetudes.org> In order to log into your online course, you need to know your ETUDES User ID and Password. Please follow the ETUDES login instructions below. Please be aware that you may not be able to access your online/hybrid courses until the official start date of the term. Your User ID and Password may not work before the first day of class. The Etudes Login page is at www.myetudes.org/portal

Your Etudes User ID is your Student ID Number (not your SS#)

Example: Jose Garcia has the following Student ID: 880123456

Based on this example, Jose's ETUDES User ID would be 880123456

ETUDES Password (first time login): MonthDay of birth in school records

Example:

Jose Garcia's birthday is April 11th, 1982 (04/11/82). Based on this example, Jose's ETUDES Password would be 0411

When you log in for the first time Etudes will ask you to change your password. NOTE: This is a permanent account that you will use for all ETUDES courses for this term and all subsequent terms. Your login information does not get reset from term to term. When you change your password, the change will apply to all of your current and future courses. Please save your login information for future reference.