

Syllabus for Economics 202
Principles of Macroeconomics

Instructor: Dan Owens

Fall 2007

Lecture: Class # 6285 Sect. #3 8:00 – 9:15 TR

Office: 290-I Gamble Hall

Phone: 777- 3348

Email: daniel.owens@mail.business.und.edu

Cell: 218 230-4367

Office Hours: 9:30-11:00 TR or by appointment.

Prerequisite: Econ 201

Course Objectives

This course provides an introduction to the principles of macroeconomics utilizing the principles developed in microeconomics. We will consider the basic tools of economic theory used to study markets, consumer behavior, the behavior of industry, and how they relate in the aggregate. We will also consider the role of government in situations where markets fail or become too inefficient to function unaided. The economic tools that you should acquire in this course are applied by managers in the business sector, policy makers in the government sector, and economic researchers in the academic sector. Students successfully completing this course should leave with an understanding of these basic principles and their applicability to “real” world situations.

Text: Macroeconomics by Michael Parkin (8th edition. Boston, MA: Pearson Addison Wesley publishers, 2008.), ISBN-10: 0-321-41656-2—**required**

Grading Format and Exam Dates:

Each student will be assigned a grade based on the standard percentage scale of:

A	90-100
B	79-89
C	68-78
D	57-67
F	<57

The grading percentage weights are as follows:

Class Work/Quizzes	13%	
Homework	9%	
Midterm Exam #1	24%*	Sept. 20 th (R)
Midterm Exam #2	24%*	Oct. 18 th (R)
Midterm Exam #3	24%*	Nov. 15 th (R)
Final Exam	30%**	Dec. 10 th (M) 1:00

**The low midterm grade will be dropped.*

***The comprehensive final exam must be attempted and cannot be dropped to receive a passing grade in the class regardless of overall average.*

Exams and Makeup Exam Policy

The exams will consist of multiple choice and true/false questions along with short answer, essay, and graphical questions. More precise details of the exam design will be provided prior to each exam. Due to grading time constraints, the final exam will be weighted more heavily toward multiple choice questions than the mid-semester exams. **The comprehensive final exam must be taken to receive credit for the course.**

I do not give make-up exams except under very unusual circumstances. Therefore if you miss a mid-term exam, that exam will count as your dropped midterm score. **Under no circumstances will I allow you to miss more than one exam without prior approval. The final exam will not be given early for any reason (including airline reservations, family trips, etc.)**

In-class Assignments and Quizzes:

Completing all assignments is a vital means to assist you in learning the material. In-class assignments and quizzes provide feedback to you about your personal level of understanding and feedback to me about the overall level of understanding in the class. Students may work together on in-class assignments and I encourage you to do so, however, quizzes and problem sets that you submit should be your own. Note: In general late submissions will not be accepted for a grade. **Make-ups will not be given for in-class/quiz assignments even if it is a UND sponsored event.** I plan to have 6-8 in-class/quiz assignments during the term. One of the in-class/quiz grades will be dropped if we have fewer than 8 graded assignments and two will be dropped if we have 8 or more.

Homework: Homework assignments will be designed to prepare you for both the material and structure of the exams. To that end the homework assignments will be several pages in length and consist primarily of questions from previous exams. I will be distributing 4 assignments for the term. I will allow you to drop **one** of the four homework grades. No homework assignment will be accepted after the original due date and time.

Bonus Opportunities

I will periodically provide opportunities throughout the term for students to earn bonus points that will be applied toward your in-class portion of your grade. **These opportunities are often unannounced and cannot be made up at a later date under any circumstances.** Bonus points for exams are often included on the exams themselves as more challenging material than I would normally include on the exams. No other bonus or extra credit is available.

Grievance Procedure: Anyone feeling that a dispute exists after the grading of any exam or assignment, may submit a written grievance. This grievance should identify the item in dispute and arguments supporting the student's position. Grievances must be submitted in writing within two class periods following the return of the assignment. I agree to return a written response to the student within two class periods of the receipt of the grievance.

"O" drive: Assignments, notes, power point slides, and other items related to the class will be posted to the "O" drive. Please test your access to this medium early in the semester so that you won't incur problems later in the semester.

Course Outline

Part I: Basic Ideas of Macroeconomics

- A. Micro Review
 - 1. What is Economics (Ch. 1 All)
 - 2. The Economic Problem (Ch. 2 All)
 - 3. Demand and Supply (Ch. 3 All)
- B. A First Look at Macroeconomics (Ch. 4 All)
 - 1. Economic Growth and Business Cycles
 - 2. Jobs and Unemployment
 - 3. Inflation and the Money Supply
 - 4. Surpluses, Deficits, and Debt
 - 5. Macroeconomic Policy Challenges and Tools
- C. Measuring GDP and Economic Growth (Ch. 5 All)
 - 1. Gross Domestic Product
 - 2. Measuring U.S. GDP
 - 3. Real GDP and the Price Level
 - 4. The Consumer Price Index (CPI) (Ch. 6 pp. 142-145)
 - 5. The Uses and Limitations of Real GDP
- D. Monitoring Cycles, Jobs, and Price Levels (Ch. 6 pp. 131-141)
 - 1. Jobs and Wages
 - 2. Unemployment and Full Employment
 - 3. Full Employment and the Classical Model (Ch. 7 pp. 157-168)

Part II: Macroeconomic Model

- A. Aggregate Supply and Aggregate Demand (Ch. 11 All)
 - 1. AS
 - 2. AD
 - 3. Macroeconomic Equilibriums
 - 4. U. S. Economic Growth
 - 5. Schools of Thought

Part III: The Federal Reserve, Money, and Monetary Policy (Chapter 9 pp. 206-223; Chapter 15 pp. 369-384)

- A. What is Money?
- B. Depository Institutions
 - 1. Types of DI's
 - 2. Regulation and Innovation
- C. Money Creation
- D. The Federal Reserve System
 - 1. Goals and Targets
 - 2. Structure of the Fed
 - 3. Policy Tools
 - 4. The Fed Balance Sheet
- E. Money Creation and the Market for Money
- F. The Loanable Fund Model of Interest Rate Determination (Ch. 7 pp. 169-174)

G. U.S. Inflation, Unemployment, and the Business Cycle (Ch. 13 All)

1. Demand-Pull Inflation
2. Cost-Push Inflation
3. Inflation Effects
4. Interest Rates and Inflation

Part IV: Economic Fluctuations and Stabilization Policy

A. Fiscal Policy (Ch. 14 All)

1. The Federal Budget
2. The Supply Side
3. Generational Effects
4. Stabilizing the Business Cycle

B. Expenditure Multipliers (Ch. 12 All)

C. Economic Growth (Ch. 8 All)

Additional topics as time allows

A few words from the instructor

1. Grades will not be available prior to their listing by the registrar. Please do not request them early from either myself or the departmental secretary. Tami is not allowed to give out that information.
2. Please get all makeup or late work pre-approved. Failure to do so will likely mean no credit or reduced credit for the assignment.
3. Please take special note of the final exam restrictions. I do not give the final exam early. Family trips and other plans (including weddings) are not sufficient to justify a makeup exam.
4. **Cheating:** Cheating will not be tolerated at UND. Anyone caught cheating will be penalized severely. The full penalty will be determined in consultation with the Chairman of the Department of Economics. **The minimum penalty is failure of the work involved and a recommendation for failure in the course.**
5. I reserve the right to make changes to this syllabus during the course of the semester as necessary. Any such changes will be announced as far in advance as possible and will be repeated many times.

A few words from the BPA Office of Academic Advisement and the Dean

1. If you need accommodations in this course because of a disability, if you have emergency medical information to share with me, or if you need special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible. If you plan to request disability accommodations, you are expected to register with the Disability Support services (DSS) office (Room 190 McCannell Hall, 777-3425).
2. Late enrollment in a business administration course will normally be permitted only if the course has not completed the equivalent of one full week of meetings (3 meetings for MWF classes, 2 meetings for TR classes, one meeting for once per week classes). Late enrollment, and enrollment in a closed class, requires approval of the division offering the class.
3. Academic integrity is a serious matter, and any deviations from appropriate behavior will be dealt with strongly. At the discretion of the professor, situations of concern may be dealt with as a scholastic matter of a disciplinary matter. As a scholastic matter, the professor has the discretion to determine appropriate penalties to the student's workload or grade, but the situation may be resolved without involving many individuals. An alternative is to treat the situation as a disciplinary matter, which can result in suspension from the University, or have lesser penalties. Be aware that I view this as a very serious matter, and will have little tolerance of or sympathy for questionable practices. A student who attempts to obtain credit for work that is not their own (whether that be on a paper, quiz, homework assignment, exam, etc.) will likely receive a failing grade for that item of work, and at the professor's discretion, may also receive a failing grade in the course.
4. Information regarding COURTESY SERVICES FOR STUDENTS WITH TEMPORARY MEDICAL CONDITIONS is available on the O Drive or from the Office of Academic Advisement. Please read this prior to experiencing a temporary medical condition.