

# Principles of Macroeconomics

ECO 234 (section 04) – Spring 2008 – MonWed 12:30-1:50

**Instructor:** Mark W. Frank, Ph.D.

**Office:** Smith-Hutson Business Building, Room 237-K

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**Online:** Grades, handouts, and online Q&A discussions will be organized through Blackboard

**Office Hours:** Monday & Wednesday: 9 to 9:30 am, and 2 to 3 pm. Tuesday: 9 to 11 am.

**Recommended Text:** Economics (2006) by R. Glenn Hubbard and Anthony O'Brien

Note: Second addition (2008) is currently in press!

**Supplemental Materials:** The Wall Street Journal, My Econ Lab

**Tutoring:** The economics department offers free tutoring for all students enrolled in economics classes. Tutoring is held during the afternoon in a classroom on the floor of the Smith-Hutson Building. Specific times and locations will be announced at the beginning of the semester.

**Description:** This course is a theory-based course on the fundamental workings of a market economy. Students will be introduced to the key factors that determine and influence macroeconomic success in both the short run and the long run. This course is divided into four general topics: (1) issues and techniques in measuring the macro-economy, (2) the role of money and inflation in the macro-economy, (3) short run macroeconomic models and analysis, and (4) long run macroeconomic models and analysis. Graphs and algebra will be used where necessary to develop the concepts central to macroeconomic theory.

**Objectives:** (1) Identify the Basic Institutions of the U.S. Economy: The student should be able to describe the effects of monetary and fiscal policy and to assess the consequences of government regulation of economic activities. (2) Assess the Increasing Integration of the Global Economy: The increasing integration of the U.S. economy with the rest of the world affects the well-being of consumers and business firms here and abroad. To assess these effects requires an understanding of conditions leading to economic development and the distribution of gains from international trade and investment.

**Evaluation:** Grades will be based on the highest four of five in-class examinations. Exams will consist of multiple choice questions taken from class lectures and the textbook. The final exam is

comprehensive. Each of the student's four highest exams will be worth 25% of the final grade.

Letter grades will be assigned in the following manner:

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|--------------------|--------------------|
| A - Above 90.0%    | B - 80.0% to 89.9% |
| C - 70.0% to 79.9% | D - 60.0% to 69.9% |
| F - Below 59.9%    |                    |

**Attendance Policy:** Regular and punctual class attendance is expected. A student is allowed to drop one exam grade (only the highest four of the five exams will count towards the final grade). If a student misses *two* exams, however, then the comprehensive final exam will count twice.

**Student Absences on Religious Holy Days Policy:** Section 51.911(b) of the Texas Education Code requires that an institution of higher education excuse a student from attending classes or other required activities, including examinations, for the observance of a religious holy day, including travel for that purpose. A student whose absence is excused under this subsection may not be penalized for that absence and shall be allowed to take an examination or complete an assignment from which the student is excused within a reasonable time after the absence.

University policy 861001 provides the procedures to be followed by the student and instructor. A student desiring to absent himself/herself from a scheduled class in order to observe (a) religious holy day(s) shall present to each instructor involved a written statement concerning the religious holy day(s). This request must be made in the first fifteen days of the semester or the first seven days of a summer session in which the absence(s) will occur. The instructor will complete a form notifying the student of a reasonable timeframe in which the missed assignments and/or examinations are to be completed.

**Disabled Student Policy:** It is the policy of Sam Houston State University that no otherwise qualified disabled individual shall, solely by reason of his/her handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any academic or Student Life program or activity. Disabled students may request help with academically related problems stemming from individual disabilities from their instructors, school/department chair, or by contacting the Chair of the Committee for Continuing Assistance for Disabled Students and Director of the Counseling Center, Lee Drain Annex, or by calling (936) 294-1720.

**Tentative Course Outline ECO 234:**

<b>Class Days:</b>	<b>Topic:</b>	<b>Readings:</b>
Jan 16 (no class on Jan 21)	Introduction	Chapter 1 (including appendix)
Jan 23, 28	Production Possibilities & Gains from Trade	Chapter 2
Jan 30, Feb 4, 6	Measuring the Economy: GDP, Unemployment, and Inflation	Chapters 19 & 20
<b>February 11</b>	<b>Exam 1</b>	
Feb 13, 18	Role of Financial Markets	Chapter 7
Feb 20, 25, 27	Money, Banks, and the Federal Reserve	Chapter 25
March 3, 5	Monetary Policy	Chapter 26, 28
<b>March 5</b> (no class on March 10, 12)	<b>Exam 2</b>	
March 17, 19, 24	Short Run Growth Theory	Chapter 21, 24 (including appendix)
March 26, 31 April 2	Fiscal Policy	Chapter 27
<b>April 7</b>	<b>Exam 3</b>	
April 9, 14, 16	Long Run Growth Theory	Chapter 22
April 21, 23, 28, 30	Global Economy	Chapter 29, 30
<b>May 5</b>	<b>Exam 4</b>	
May 7	Review for final exam	
<b>Monday May 12<sup>th</sup>, 2:00 – 3:00 pm</b>	<b>Exam 5 – Comprehensive Final</b>	