

PRINCIPLES OF MACROECONOMICS  
ECONOMICS 234  
Fall 2007

Professor: George Samuels Office: Smith-Hutson 237F  
Phone: 294-1269 Email: [eco\\_ges@shsu.edu](mailto:eco_ges@shsu.edu)  
Office Hours: M-W 8:00-9:00; 10:00-11:00; TT 9:30-11:00; or by appointment

Required Text:

Economics (Prentice-Hall), Hubbard and O'Brien

Suggested Supplements:

*Wall Street Journal*

Course Description:

The economic role of government, public finance and taxation, national income analysis, national income theory, money and banking, economic fluctuations and growth, and international trade and finance.

Learning Objectives:

The student will have learned to understand the beginning level of macroeconomic analysis so that they are knowledgeable at the required level for their particular degree or are prepared for subsequent course work in their curriculum. To this end, each student should: (1) gain factual knowledge about the economy; (2) learn fundamental principles, generalizations, and theories underlying economic analysis; (3) learn to apply economic principles to improve thinking, problem-solving and decision making, (4) learn and develop an appreciation for the logic underlying economic decision making, (5) learn possible causes and consequences of economic growth and divergences from potential production, and (6) learn measures used to gauge the level of economic activity, e.g., inflation rate, unemployment rate and growth rate.

Examinations

There will be three (3) exams, which includes the final, during the semester. Each exam will be weighted equally with a maximum point value of 100, except the best grade will be counted twice. Only one (1) makeup exam allowed per semester.

Course Grades

Total points available for the semester = 400. Course grades will be computed on the following basis.

A = 90% (360 points)  
B = 80% (320 points)  
C = 70% (280 points)  
D = 60% (240 points)  
F = below 60% (less than 240 points)

Attendance Policy

Attendance is required and will be checked at each class meeting. Three hours of absences are allowed without penalty, so long as the absences do not occur on examination days.

Student Absences on Religious Holy Days

The student must notify the instructor of each scheduled class that he/she would be absent from a religious holy day. Request forms are available in the Department of Economics office in BA 232. The form must be completely filled out and personally presented to the instructor or sent certified mail, return receipt requested, with the time limits established. The student and the instructor will agree on a time that missed assignments must 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 disability, be excluded from the participation in, be denied and benefit of, or be subjected to discrimination under any academic, Student Life program, or activity. Disabled students may request academic assistance when needed from a Committee for Continuing Academic Assistance for Disabled Students by visiting the Director of the Counseling Center in the Lee Drain Building Annex, or by calling ext. 1720.

Other Class Policies

NO FOOD, DRINKS, OR SMOKING IN CLASSROOMS. NO INDIVIDUALS (INCLUDING CHILDREN) WILL BE ADMITTED INTO THE CLASSROOM UNLESS THEY ARE ENROLLED IN THE CLASS. NO HATS MAY BE WORN DURING EXAMINATIONS.

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Shown below is an attempt to forecast what material will be covered each class meeting. It is the responsibility of each student to have read prior to class the material assigned for each class day. Forecasting is more an art than a science, so it is possible that more class time will be spent on some topics than indicated by the outline. On examination days, if less material has been covered than was forecasted, you will only be held responsible for those chapters that have been covered in class.

| <u>Chapter number</u> | <u>Chapter Title</u>  |
|-----------------------|---|
| 1                     | Economics: Foundations and Models                             |
| 2                     | Trade-Offs, Comparative Advantage and<br>The Market System    |
| 3                     | The Interaction of Demand & Supply                            |
| 4                     | Economic Efficiency, Government Price<br>Setting and Taxes    |
| Exam I: Chs. 1-4      |   |
| 8                     | Comparative Advantage and the Gains From<br>Trade             |
| 19                    | GDP: Measuring Total Production and Income                    |
| 20                    | Unemployment and Inflation                                    |
| 21                    | Economic Growth, the Financial System, and<br>Business Cycles |
| Exam II: Chs. 8,19,21 |   |
| 22                    | Long-Run Economic Growth: Sources & Policies                  |
| 23                    | Output and Expenditure in the Short Run                       |
| 24                    | Aggregate Demand & Aggregate Supply Analysis                  |
| 25                    | Money, Banks & the Federal Reserve System                     |
| Exam III, Chs. 22-25  |   |
| 26                    | Monetary Policy   |
| 27                    | Fiscal Policy   |
| 28                    | Inflation, Unemployment and Federal Reserve<br>Policy         |