

ECO 234-08
Principles of Macroeconomics
Department of Economics and International Business
Sam Houston State University
Fall 2007

Instructor:	J. Ulyses Balderas
Lecture:	TU/TH 12:30 am -1:50 pm in SHB 133
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Office hours:	TU/TH 10:00 - 11:00 pm; and by appointment

COURSE DESCRIPTION

Macroeconomics is the study of the economy as a whole. It focuses on the aggregate behavior of consumers and firms, the behavior of governments, and the effects of fiscal and monetary policy. The goal of this course is to understand how an economy performs and how the role of the government alters that performance.

The course is divided into four sections. The first includes the measurement of the main macroeconomic variables (including national income, and the cost of living), and the behavior of the economy in the long run. The second describes the performance of the economy in the short run. The third considers how the economy can be affected by the government through fiscal and monetary policies. The fourth focuses on the macroeconomics of open economies.

LEARNING OBJECTIVES

This course is designed to acquaint students with the terms and concepts used in everyday discussions and debates on the behavior of the overall economy; to develop students' ability to use an analytical framework to understand macroeconomic phenomena such as business cycles and economic growth; and to introduce students to public debates over monetary and fiscal policies. To this end, **the student will have learned to:**

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. **understand how an economy performs and how the role of the government alters that performance.**

TEXTBOOK

“Economics”, by R. Glenn Hubbard, and Anthony P. O'Brien, First Edition, Prentice Hall, 2006. ISBN-10: 0130675520

GRADING

The following criteria will be used to assign your grades,

Exam 1	20%
Exam 2 (midterm).....	30%
Exam 3	20%
Exam 4 (final exam).....	30%

Exam 2 (midterm) and Exam 4 (final) are semi-comprehensive. This means the midterm will include the material covered in Exam 1; and the final exam will include the material covered in Exam 3.

In addition, 4 extra credit quizzes will be administered during the semester. In order to get the extra credit, you must attend a minimum of 80% of the lectures. In other words, if you miss more than 5 classes you will not be allowed to use the extra credit points. I will take attendance at the beginning of the class, so please refrain from arriving late. Also, take into account that every three times you arrive late, they will be counted as an absence.

Grades will be assigned in the following manner:

Percentage	Letter grade
Above 90%	A
80 – 89 %	B
70 – 79 %	C
60 – 69 %	D
Less than 60 %	F

EXAMS / QUIZZES

Exams usually include two sections. The first section has multiple choice questions. The second section contains short/long answer questions that involve numerical calculations and graphical analysis.

To miss an exam, you must have a note from some acceptable authority figure explaining your absence. Without an acceptable excuse, missed midterms will be given 0 (zero). If you have an acceptable excuse, I will give extra weight and additional material from the missed exam to the final examination. You cannot miss the final examination. If you miss the final, you fail the course. **IMPORTANT: Under NO circumstances the final exam can be changed from the date and the time assigned by the university. If you know in advance that you will not be the day of the final, drop the class and switch to a different section.**

Quizzes will include only short answers (definitions, numerical calculations or graphical analysis). They will be administered during the first 15 minutes of the class previous to the midterm. There are no make up quizzes.

TIPS ON TAKING THE EXAMS/QUIZZES:

- If you are given numbers in a problem, then you should give numbers in the answer.
- SHOW WORK! It will help you get partial credit.
- Label graphs clearly, especially the axes, prices, and quantities.
- Never answer a short answer question simply with a “yes” or “no.”
- Use pencil/rulers and write legibly.

HOMEWORK

Homework will be assigned on a regular basis. Answer key will be posted on the web.

STUDENT ABSENCES ON RELIGIOUS HOLY DAYS

If you have a conflict between religious observance dates and course examinations, you must notify me two weeks in advance so that your needs may be addressed. Request forms are available in the Department of Economics office in Smith-Hutson 209. The form must be completely filled out and personally presented to the instructor or sent certified mail, return receipt requested, within the time limits established.

DISABLED STUDENT POLICY

It is the policy of Sam Houston State University that no otherwise qualified disabled individual shall, solely by reason of her/his disability, be excluded from the participation in, be denied the benefits of, or be subject 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. 4-1720.

CLASSROOM ETIQUETTE

Below you will find some classroom rules I expect you to follow:

A) Electronics:

- 1) All laptop computers must be closed at all times during the class.
- 2) Do not use headphones during the lecture.
- 3) All cell phones must be turned off. Do not talk on the cell phone during class. Do not write or read a text message on your cell phone during class.

B) Behavior:

- 4) Arrive on time and stay for the entire class time.
- 5) During the lecture you should not read material other than the textbook for this class. This means that newspapers and books should be closed and hidden.
- 6) Be patient and courteous to other students when they ask a question or make a statement, even when the subject may be obvious to you.
- 7) Hats, baseball caps and sunglasses should not be worn in the classroom, PARTICULARLY DURING EXAMINATIONS.

8) Food should not be consumed in the classroom.

Finally, I have a NO BORROWING NOTES policy. If you miss a class, do not ask me to give you my notes. You are responsible for getting the notes from a classmate.

IMPORTANT DATES

Aug 21 (Tuesday)	1 st day of classes
Sep 6 (Thursday)	Quiz 1
Sep 13 (Thursday)	Exam 1
Oct 4 (Thursday)	Quiz 2
Oct 11 (Thursday)	Exam 2 (Midterm)
Nov 1 (Thursday)	Quiz 3
Nov 8 (Thursday)	Exam 3
Dec 4 (Tuesday)	Quiz 4
Dec 6 (Thursday)	Last day of classes
Dec 11 (Tuesday @ 11:00am)	Exam 4 (Final exam)

Note: This calendar is tentative. Exam dates are subject to change at the discretion of the instructor.

TENTATIVE CURRICULUM

Section	Chapters	Topic
I	19	GDP: Measuring a Total Production and Income Measurement and Components of GDP, Real vs. Nominal GDP
	20	Unemployment and Inflation Unemployment, Consumer Price Index, Real and Nominal Interest Rates
	21	Economic Growth, the Financial System, and the Business Cycle Economic Growth, Savings, Investment, and the Business Cycle
	22	Long Run Economic Growth: Sources and Policies Economic Growth over Time and Around the World, Growth Policies
II	23	Output and Expenditure in the Short Run Aggregate Expenditure Model, Multiplier Effect
	24	Aggregate Demand and Aggregate Supply Analysis AD/AS Model, Macroeconomic Schools of Thought
III	25	Money, Banks, and the Federal Reserve System Money, the Fed, Banks, and Money Supply
	26	Monetary Policy Money Market and the Fed's Choice of targets
	27	Fiscal Policy Expansionary, Contractionary Fiscal Policies
	28	Inflation, Unemployment and Federal Reserve Policy Philips Curve
IV	29	Macroeconomics in an Open Economy Balance of Payments, National Saving and Investment, Fiscal and Monetary Policies
	30	The International Financial System Exchange Rate Systems

**I have read and I understand the rules,
policies and outline of the class (ECO 234-08):**

Print Name (legibly):

Signature:

Date: