



SYLLABUS

**ECO 234-08: Principles of Macroeconomics  
Spring 2008  
TUTH: 9:30 – 10:50 a.m.  
135 Smith-Hutson Building**

**Instructor:** Dr. Hiranya K. Nath  
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Office Hours: Wednesday and Thursday: 2:00 – 5:00 p.m. *or* by appointment

Course Description: This introductory course in macroeconomics focuses on the functioning of the overall economy. It introduces students to the concepts such as gross domestic product (GDP), general price level and inflation, unemployment rate, and stock price and interest rate. This course uses an analytical framework that consists of simplified models to explain the issues of growth and business cycles.

Course Objectives: The student will have learned to (i) gain factual knowledge about the basic institutions of the U.S. economy that influence overall economic outcomes through monetary and fiscal policy; (ii) to understand fundamental principles, generalizations, and theories to develop an understanding of the “invisible hands” of prices and the market; and (iii) to apply course materials to improve thinking, problem solving, and decisions.

Class Webpage: [http://www.shsu.edu/~eco\\_hkn/classes/eco23408\\_spring08.htm](http://www.shsu.edu/~eco_hkn/classes/eco23408_spring08.htm)

Required Textbook: **Economics** (First Edition) by R. Glenn Hubbard and Anthony Patrick O’Brien, Pearson-Prentice Hall

Evaluation:

*Exams*

There will be four midterm exams and a comprehensive final exam. The final exam is mandatory. However, the student may choose not to take *or* miss one midterm. If he/she takes all five exams, the best four will be counted towards his/her course grade. Each of the best four exams will count 25% of the final grade. Each exam will consist of 50 multiple choice questions and the maximum grade points will be 25.

*Practice Problem Sets*

There will be several practice problem sets consisting of multiple choice questions, during the semester. No answer key will be provided. Students are expected to work on those

problems and find the correct answers *on their own*. However, if the student needs help he/she should not hesitate to see the instructor.

*Pop Quizzes*

There will be pop quizzes which will add extra points to total exam scores. Each quiz will consist of 10 multiple choice questions, and will be graded on a scale of 0-1 points.

*Under no circumstances* will individual extra credit assignments be given, as it is not fair to other students.

Course grades will be assigned according to the following scale:

Total of best four exam scores and in-class quiz scores	Letter Grade
90 – 100	A
80 – 89	B
70 – 79	C
60 – 69	D
Below 60	F

Exam Dates:

Midterm I	: Tuesday, <i>February 12</i>
Midterm II	: Thursday, <i>March 6</i>
Midterm III	: Thursday, <i>April 3</i>
Midterm IV	: Thursday, <i>May 8</i>
Final Exam	: Tuesday, <i>May 13</i>

Attendance, Class Decorum, Exam, Student Disability and Religious Holy Day Policy:

1. Attendance is very important to succeed in this class. Because of the federal and SHSU guidelines, the instructors are required to submit reports on student attendance. The instructor will track student attendance using a seating chart. On the first day of class, the instructor will pass on a seating chart for the student to identify his/her seat by writing his/her name on the seat location. The student is expected not to change his/her seat during the semester. At the beginning of each class the instructor will mark **P** for 'present' or **A** for 'absent' on the seat assigned to the student on the seating chart. If the student does not miss any class during the semester, he/she will earn 2 bonus points; and for only 1 miss he/she will earn 1 bonus point. These points will be added to the total grade points the student accumulates for his/her performance in exams and other assignments throughout the semester, before deciding the letter grade.

2. Students are expected to be on time for class. If the student is late, he/she will be marked 'absent'. Once teaching starts, the student is expected to sit through the entire time in the class. If he/she must leave in the middle of class, he/she is advised to take his/her 'stuff' and not to re-enter.
3. Eating and drinking in the classroom are strongly discouraged. Students are allowed to bring bottled water to the classroom.
4. Cell phones must be turned off and must not be used for sending and receiving text messages during the class period. The student is expected not to talk or make any other kind of noises that disrupt the learning environment except when he/she has a question or he/she contributes to a discussion on the materials presented in the class.
5. Students who are members of the university athletic teams should submit their respective game schedules properly signed by the officials in the athletics department at the beginning of the semester.
6. Students are expected to be on time for exams. No student will be allowed to begin an exam after the first person to finish that exam has left the room.
7. Academic Dishonesty: Students are expected to conduct their academic work with integrity and honesty. Acts of dishonesty will not be tolerated and can result in the failure of the course and dismissal from the University. Academic dishonesty includes, but is not limited to, cheating on a test, plagiarism, collusion –the unauthorized collaboration with another person in preparing work offered for credit, the abuse of resource materials, and misrepresentation of credentials or accomplishments as a member of the university. The University policy on academic honesty and appeal procedures can be found in the manual entitled Student Guidelines, distributed by the Division of Student Services. (Reference Section 5.3 of the SHSU Student Guidelines)
8. Disability Accommodation: 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 the benefits of, or be subjected to discrimination under any academic, Student Life program, or activity. Disabled students may request academic assistance/accommodation 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. Note that no accommodation can be made until a student registers with the Counseling Center.
9. Religious Holy Day Policy: Section 51.911(b) of the Texas Education Code requires that an institution of higher education excuses a student from attending classes or other required activities, including examinations, for the observance of a religious holy day, including travel for that purpose. Section 51.911 (a) (2) defines a religious holy day as: "a holy day observed by a religion whose places of worship are exempt from property taxation under Section 11.20...." 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). 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. For a complete listing of the university policy, see:

[http://www.shsu.edu/vaf\\_www/aps/documents/861001.pdf](http://www.shsu.edu/vaf_www/aps/documents/861001.pdf)

Outline of Topics:

1. Introduction to Economics
  - (i) What is economics all about? (Ch. 1)
  - (ii) The Market Forces of Demand and Supply (Ch. 3)
  
2. Macroeconomic Foundations and Long-Run Growth
  - (i) GDP: Measuring Total Production and Income (Ch. 19)
  - (ii) Unemployment and Inflation (Ch. 20)
  - (iii) Economic Growth, the Financial System, and Business Cycles (Ch. 21)
  - (iv) Sources and Policies of Long-Run Economic Growth (Ch. 22)
  
3. Short-Run Fluctuations
  - (i) Output and Expenditures in the Short Run (Ch. 23)
  - (ii) Aggregate Demand and Aggregate Supply (Ch. 24)
  
4. Monetary and Fiscal Policy
  - (i) Money, Banks, and the Federal Reserve System (Ch. 25)
  - (ii) Monetary Policy (Ch. 26)
  - (iii) Fiscal Policy (Ch. 27)
  
5. Open Economy Macroeconomics (Ch. 29)

Tentative Time Schedule

<b>Time</b>	<b>Topics</b>
Before Midterm 1	1 and 2(i)
Between Midterm 1 and 2	2(ii)-(iv) and 3(i)
Between Midterm 2 and 3	3(ii)-4(i)
Between Midterm 3 and 4 (and Final)	4(ii)-(iii) and 5

Important Dates to Remember

January 17 THURSDAY	First Day of Class
January 21 MONDAY	University Holiday - Martin Luther King Day
January 24 THURSDAY	Last day to register and to process schedule changes
February 1 FRIDAY	Twelfth Class Day. Last day to drop without a "Q" and receive 100% refund. Degree applications to be filed in Registrar's Office by students graduating in May 2008.
February 12 TUESDAY	Midterm Exam 1
March 7 FRIDAY	Degree applications to be filed in Registrar's Office by students graduating in August 2008.
March 6 THURSDAY	Midterm Exam 2
March 10-14 MONDAY THROUGH FRIDAY	Spring recess for students and faculty
March 21 FRIDAY	Good Friday
April 3 THURSDAY	Midterm Exam 3
May 8 THURSDAY	Midterm Exam 4. Last day to resign. Last day to drop a course without the grade of F.
May 13 TUESDAY	Final Exam