

ECON_OX 112-01J(5316)
Principles of Macroeconomics
TuTh 1:40PM - 3:20PM Seney Hall 322
Fall 2013

Instructor: Dr. Frank Maddox
318 Seney Hall
Phone: 784-8357
Office Hours 1:00-1:40 p.m.(M-Th)

Course Description: Econ 112 presents the main national economic issues of unemployment, inflation and economic growth in the context of a theory of national income determination. The course begins by describing the economic problems facing every society and the possible ways that society can organize itself to solve these problems. The laws of demand and supply are examined.

Next, the measurement of the flow of national income and its major components, such as consumer spending, is summarized. These concepts become the basis for an explanation of the size of the total flow of income, and for policy recommendations to influence the size and stability of that flow. Aggregate demand for final output and aggregate supply of it are used to analyze business cycles, the deficit and fiscal policy. After describing money and the banking system, the role of the Fed in setting monetary policy is presented.

The twin problems of unemployment and inflation are then put into a theoretical, historical and policy perspective. The analysis is extended to include the balance of international payments and the foreign currency exchange markets. The course concludes by examining factors that contribute to the long-run growth of national income and the development of the infrastructure of an economy.

The Great Recession triggered by the Financial Meltdown and the subsequent “jobless” recovery/foreclosure crisis/financial reform events will be emphasized.

Course Objective: the goal of Econ 112 is to develop a framework which the student may use to analyze the overall behavior of modern national mixed capitalist economies. This framework introduces the student to the economic way of thinking about the macro-level forces at work in society which shape economic performance and guide economic policy. Performance and policy then feed back to influence the business and social environment.

Method of Instruction: Econ 112 is taught through a combination of lecture & discussion. Class interaction allows the students to discover the strengths and weaknesses of past and current policy executed by U. S. policy-makers. The first-person perspective is valued in this course and is cultivated using expository writing.

Text Required to be Purchased by Student:

Stiglitz, Joseph E. & Carl E. Walsh, Principles of Macroeconomics 4th edition, W.W. Norton and Company, 2006. ISBN 0-393-92624-9. e-book available at: <http://books.wwnorton.com/books/detail.aspx?ID=22674>

Examinations, Homeworks, and Quizzes: There will be two in-term exams and a comprehensive final exam. Several homeworks and announced quizzes will be assigned during the semester. Homeworks will include problem sets and writing responses to assigned readings.

Grading Policy: Each exams accounts for 30% of the course grade—homeworks and announced quizzes account for the remaining 10% of the grade. Several of your assignments will be ungraded; ungraded but completed work will be assigned a numerical grade of 94—the lowest numerical value of an A grade. Your numerical average will be converted into a final letter grade:

- A = 94 up to 100
- A- = 90 up to 94
- B+ = 87 up to 90
- B = 84 up to 87
- B- = 80 up to 84
- C+ = 77 up to 80
- C = 74 up to 77
- C- = 70 up to 74
- D+ = 67 up to 70
- D = 60 up to 67
- F = 0 up to 60

Attendance Policy: Attendance is required and will be recorded. One point will be deducted from the student's final numerical grade for each absence in excess of three absences.

Make-up Examination Policy: Make-up examinations are given by permission of the course instructor. Students must contact the instructor in writing prior to the scheduled exam in order for an excuse to be considered.

Honor Code – Students should re-read the honor code prior to taking this course. Academic misconduct will not be tolerated.

Important Dates

August 28	Wednesday	Classes Begin
September 2	Monday	Labor Day Holiday
September 4	Wednesday	Last day for changing courses
October 14 - 15	Monday-Tuesday	Fall Break
October 18	Friday	Last day for dropping course without academic penalty
November 15	Friday	Last day for one time course withdrawal for freshmen
November 27-29	Wed-Friday	Thanksgiving Recess
December 10	Tuesday	Classes End
December 11	Wednesday	Reading Day

Final Exam – December 12th – Seney 322—2:00-5:00 p.m.

Course Outline

Week 1. August 28-30.

Chapter 1. Macroeconomics and the Economic Perspective

Week 2. September 2-6.

Chapter 2. The Price System

Chapter 3. Households and Firms in the Labor and Capital Markets

Week 3. September 9-13.

Chapter 3. . Households and Firms in the Labor and Capital Markets (cont.)

Chapter 4. Measuring Economic Output and Unemployment

Week4. September 16-20.

Chapter 5. The Cost of Living and Inflation

Week 5. September 23-27.

September 26th - Exam 1 (Chapters 1-5)

Chapter 6. The Full-Employment Model

Week 6. September 30-October 4.

Chapter 7. Government Finance at Full-Employment

Chapter 8. The Open Economy at Full-Employment

Chapter 9. Economic Growth

Week 7. October 7-11.

Chapter 10. Money, the Price Level and the Federal Reserve

Chapter 11. Introduction to Macroeconomic Fluctuations

Week 8. October 14-18.

Chapter 12. Aggregate Expenditures and Income

Week 9. October 21-25.

Chapter 13. Aggregate Demand and Inflation

Week 10. October 28-November 1.

Chapter 14. The Federal Reserve and Interest Rates

Week 11. November 4-8.

November 5th Exam 2 (Chapters 6-13)

Chapter 14 (continued)

Week 12. November 11-15.

Chapter 15. The Role of Macroeconomic Policy

Chapter 16. International Trade and Trade Policy

Week 13. November 18-22.

Chapter 17. The International Financial System

Week 14. November 25-29.

Chapter 18. Policy in the Open Economy

Great Recession and Financial Reform

Week 15. December 2-6. Great Recession and Financial Reform

Week 16. December 9-10.

December 11- Reading Day

Final Exam – December 12th – Seney 322—2:00-5:00 p.m.