

Economics 101: PRINCIPLES OF MACROECONOMICS

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Office hours: Monday and Wednesday 3:30–5:00pm
Tuesday 9-11am

Course Description:

This course provides an introduction to macroeconomic policy issues and will present the fundamentals which are necessary in order to understand the current macroeconomic issues and debate that you read about in the news. Upon completion of this course, students should be able to understand the economic realities highlighted by economic indices reported by the media. Students are also expected to be able to understand how fiscal and monetary policies affect the performance of the economy.

Broadly speaking, macroeconomics is the study of economic growth and fluctuations. We will begin the course with a brief consideration of demand and supply – the microeconomic underpinnings of large complex economies. Afterwards, we will spend some time covering the measurement of national income and the cost of living. We will then move on to consider long-run economic growth and the impact of monetary policy on the economy in the long run. International macroeconomics, or open economy macroeconomics, will be introduced at this point. The last portion of the class will explore the economy in the short run – business cycle fluctuations – and the influence of policymakers (through fiscal and monetary policy) on aggregate demand.

Text and other reading:

The structure of the course follows Principles of Macroeconomics (the Wall Street Journal Edition with EconActive Study Guide), 2nd Edition, by Gregory Mankiw, which is available at the SDSU bookstore. We will cover almost the entire book this semester. I will also make extensive use of articles in class from the Wall Street Journal. Your text includes a 10-week subscription that should begin at the same time for all students. *Please turn in your WSJ subscription card by Friday, February 1st.*

Web resources:

The class website will be available through the Blackboard CourseInfo server, at <http://courses.sdsu.edu/>. You will need to register for a Blackboard account (if you have not already previously had a course that has used Blackboard) AND to enroll specifically in the Econ 101 course with the specific section number (24). In order to register, you must have an email account. If you do not already have one, a free Rohan account is available to all students (you can sign up in LL220).

There is also a textbook website at www.harcourtcollege.com/econ/mankiw/student. It would be a good idea to familiarize yourself with this website since it has some useful tools for students (like online quizzes).

Course Requirements, Exam Dates, and Grading:

Grades for the course are based on 4 midterms, 5 assignments, and a final exam. The midterm exams focus on specific sections of the course, while **the final is cumulative** (covers all of the material in the course). Final grades are determined as follows:

Midterm exams	40%	(10% each)
Assignments	25%	(5 % each)
<u>Final exam</u>	<u>35%</u>	
	100%	

Note: There are no make-up exams. If you must miss one of the mid-term exams, the final exam will be given extra weight. You may not miss more than one midterm exam and you must take the final exam. The final exam is set by the University and cannot be changed. Late assignments will be marked down a letter grade for each day late. Grades on assignments turned in late on the day they are due (e.g., more than an hour after the end of class) will be reduced one-third of a letter grade.

Participation and attendance will not be explicitly graded; however, exams will cover material from the lecture, text, outside readings (including the WSJ), and problems discussed in class. Problems covered in class will be a good indication of the material covered on exams. In spite of the large classroom, students are encouraged to ask questions and actively participate in the class.

Important dates:

Wednesday, February 6	Assignment #1
Wednesday, February 13	Exam #1
Wednesday, February 27	Assignment #2
Wednesday, March 6	Exam #2
Wednesday, March 20	Assignment #3
Wednesday, March 27	Exam #3
Wednesday, April 17	Assignment #4
Wednesday, April 24	Exam #4
Wednesday, May 8	Assignment #5
Monday, May 13	Final Exam

Assignments:

Assignments will be a combination of case studies and exercises using the Wall Street Journal and are designed to reinforce course material and to improve writing skills.

Case Studies: Case studies will supplement the material in the lectures and text. Specifically, each case study will ask you to visit a particular website and answer a number of questions related to the material found at that site.

Wall Street Journal: After the WSJ subscriptions begin, as part of each assignment, you will either be asked to search for an item that is relevant to a topic discussed in class or you will be asked questions on a specific article.

Non-graded practice problems:

Problems are assigned from each chapter of the book that we will cover. These problems are not collected, but will be likely be discussed in class and are a good indication of the material for which students are responsible on tests.

Extra Credit:

Throughout the semester, I will announce opportunities for extra credit. For the most part, they will involve presenting a WSJ article to the class. Specifically, I will choose articles from the WSJ and post their titles the day before class on our course website. If you are interested, you should come up and see me before class. I will ask you to a) give a brief summary of the article and b) to say why the article is important or how it relates to class. Extra credit will boost your grade if you are close to the borderline between two grades. You may only receive extra credit once.

Other Issues:

Academic misconduct: Academic dishonesty includes plagiarism and cheating. Your work must be your own, and you must give credit for ideas from other sources. During an examination, looking at someone else's paper or telling someone else the answer is considered cheating.

Classroom conduct: Please turn off you cell phones before class begins. Arriving late, leaving early, and talking during class can be disruptive to the instructor and to other students and should be minimized.

Schedule:

The following schedule is provided to give you a rough idea of the lectures, reading, problems, and assignments covered this semester. The exam dates, number of exams, assignments, and material covered are **all tentative** and are subject to change.

Date	Chapter(s) covered	Topic	Practice Problems (not graded)	Key Dates
January 23,25	Chapter 1	Ten key principles	pp16-17 (1,3,8,11)	
January 28, 30, February 1	Chapter 2, Chapter 2 appendix	Thinking Like an Economist, Using graphs	p35 (2,3,6,7)	
February 4, 6,8	Chapter 3	Comparative advantage	pp59-61(2,4,9, 11)	PS #1 2/6
February 11,13,15	Chapter 4	Supply and demand	pp90-2(1,3,6,9)	Midterm #1 2/13
February 18,20,22	Chapter 5	Elasticity	pp115(1,9)	
February 25, 27 March 1	Chapter 10	Measurement of National Income	pp221-2 (1,4,5,6,9,12)	PS #2 2/27
March 4, 6, 8	Chapter 11	Cost of Living	pp237-238 (2,5,7,10,11)	Midterm #2 11/1
March 11, 13, <i>March 15 (no class)</i>	Chapter 12	Production and Growth	pp262-263 (2,5,7,8,9)	
March 18, 20, 22	Chapter 13	Financial Institutions	pp288-289 (1,5,7,9,10,14)	PS #3 3/20
March 25, 27, 29	Chapter 14	Labor markets	pp315-316 (2,5,6,8,10)	Midterm #3 3/27
April 8,10,12	Chapter 15	Monetary System	pp336-337(1,3,6,8,11)	
April 15, 17, 19	Chapter 16	Money Growth and Inflation	pp364-365(1,3,7,13)	PS #4 4/17
April 22, 24, 26	Chapter 17	Open-economy Macroeconomics	pp389-390(1,3,4,11,12)	Midterm #4 4/24
April 29, May 1,3	Chapter 19	Aggregate demand and supply	pp442-444 (1,2,3,6,10,11,12)	
May 6, 8	Chapter 20	Monetary and Fiscal policy	pp470-471(1,3,7,12)	PS #5 5/13
May 13	Final Exam			