

ECO 231-005 — Principles of Macroeconomics

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Office Hours: M/W 9:00-12:00, T/R 3:15-5:00
and by appointment

Course Description and Objectives

An introduction to the behavioral science of economics which focuses on the aggregate behavior of households, firms and the government. Topics covered include gross domestic product, national income, economic growth, unemployment, inflation, the business cycle, fiscal policy and monetary policy, and international trade.

Upon successful completion of the course, the student should be able to demonstrate a basic understanding of news relating to the economy as a whole as reported in such publications as *The Wall Street Journal*; the economic implications of changes in government fiscal or monetary policy; how interest rates are determined and the role of interest rates in personal and corporate decision-making; and critically apply economic concepts when participating as a citizen in a democratic society. In particular, the students should be able to calculate equilibrium national income levels, calculate and use various multipliers, convert nominal values to real values, and use a graph to explain the impact of changes in fiscal and/or monetary policy on income and price levels. In addition, students should be able to use simple models of international trade to study the flow of goods between countries and discuss the costs of protectionism within the context of such models.

Class Meetings

Tuesdays and Thursdays 2:00-3:15 in BU458.

Text and Other Materials

The textbook we will use is *Foundations of Economics*, 5th ed., by R. Bade and M. Parkin, Pearson, Addison-Wesley, 2011.

Other readings (newspaper and journal articles) will be provided in class. This syllabus along with other class materials is available on [Blackboard](#) and can be **printed** out from there at any time.

Grading

Your course grade will be computed as follows:

Five Exams (50 points each)	250 points
Eight Pop Quizzes (5 points each)	40
Attendance and Class Participation	10
(Optional) Final Exam	100
<hr/> Total	<hr/> 300 points

Letter grades will be assigned according to the following scale:

Points	Percentage	Letter Grade
264 - 300	88%-100%	A
234 - 263	78% - 87%	B
204 - 233	68% - 77%	C
174 - 203	58% - 67%	D
< 173	< 57%	F

In other words, there is an initial 2-percentage-point “curve.” **No other curving will be done.**

Exams

The Exams will be held in class on pre-determined dates (see [schedule](#) below). The dates will not be changed under any circumstances, short of a natural disaster, an act of God, or the University canceling classes that day. The Final Exam is cumulative and optional – it replaces the two lowest exam scores – and will be held on Tuesday, May 8th.

Makeup exams will only be given in extraordinary circumstances and only if you notify me **prior** to missing an exam. I reserve the right to determine whether your excuse for missing it warrants a makeup.

Pop Quizzes

There will be a total of 10 (ten) pop quizzes throughout the semester; 8 (eight) of these will be averaged together and count towards your grade. Each quiz is worth 5 points and will be given during the first 5 minutes of the class. If you are late and miss the quiz, you will get a zero. **Quizzes cannot be made up for any reason.** You effectively have two free “drops” – quizzes that won’t count – use them wisely.

Problem Sets

Problem Sets (homework assignments) will be periodically assigned but not collected or graded; they are strictly optional. All problems will be reviewed in class.

Extra Credit

There is an opportunity to earn up to an extra 10 points added to your course total. To take advantage of it, you must do the following:

1. Find an article in the *Wall Street Journal* related to a Macroeconomic topic discussed in class.
2. Write a short summary of the article (1-2 paragraphs) and explain how it relates to what you learned (or are learning) in this class.

The entire assignment can be as short as 1 page or as long as you want to make it. The following rules apply:

- The *WSJ* is the only acceptable source for the article; internet, other news sources, the *Pine Log* are not appropriate sources.
- The assignment can be turned in at any time up to the time of the Final Exam (i.e., May 8, 2012 at 1:00 pm). No exceptions.
- You will gain at most 10 extra points toward your course grade from this opportunity provided it is done well. I make no guarantee that this actually improves your course grade.

This is the ONLY extra credit opportunity available.

Attendance only contributes a small amount to your final grade, but you will not be able to do well in this class if you do not attend regularly. Attendance will be taken every class. So, don’t miss class and be on time.

House Rules

1. Silence your phone!
2. Ask questions, even the ones you think are dumb. Do it when you have them; don’t wait until the end of the term to figure out an issue addressed weeks before.
3. No reading, sleeping, or texting in class!
4. No loud food (e.g., crunchy stuff) during class!
5. Don’t ask me when the next exam is or what your grade is in the class so far — the schedule is easily accessible and calculating your average is not that hard.
6. Don’t hesitate to ask for help – that’s why I provide my contact information and office hours. Email is the best way to contact me; I will respond within 24 hours and usually much sooner than that.

Class Schedule

Below is a (very) tentative course schedule. The “Week of...” indicates the week beginning on Monday of the specified date. The major topics are in **bold**; reading assignments are in parentheses after each subtopic. The designation **BP** means “Bade and Parkin,” our main text for this course.

Week 1 (1/19/2012) Introduction

Getting Started (**BP** Ch 1)
Using and Analyzing Graphs (**BP** Ch 1 Appendix)

Week 2 (1/24/2012 – 1/26/2012) Introduction (continued)

Thinking Like an Economist and Using Economic Models (**BP** Ch 2-3)

Week 3 (1/31/2012 – 2/2/2012) Production Possibilities and Gains from Exchange

Production Possibilities, Gains from Exchange, Absolute and Comparative Advantage (**BP** Ch 3)
EXAM 1 (2/2/2012)

Week 4 (2/7/2012 – 2/9/2012) Supply and Demand

The Basic Elements (**BP** Ch 4)
Markets in Action: Effects of Price Controls, etc. (**BP** Ch 7)

Week 5 (2/14/2012 – 2/16/2012) Measuring the Macroeconomy

Measuring the Macroeconomy: Income, Output and the Standard of Living (**BP** Ch 20)

Week 6 (2/21/2012 – 2/23/2012) Measuring the Macroeconomy (continued)

Measuring the Macroeconomy: Prices, the CPI and Inflation (**BP** Ch 22)
EXAM 2 (2/23/2012)

Week 7 (2/28/2012 – 3/1/2012) Saving, Investment, and Macro Equilibrium

Role of Financial Institutions and Intermediaries
Saving and Investment; Budget Deficits (**BP** Ch 25)

Week 8 (3/6/2012 – 3/8/2012) Unemployment

Unemployment in the Long Run (**BP** Ch 21 and Sec. 23.2)

Week 9 (3/13/2012 – 3/15/2012) Spring Break

Week 10 (3/20/2012 – 3/22/2012) Money and Inflation

Money, the Banking System, the Federal Reserve, and Inflation (**BP** Ch 26-27)
EXAM 3 (3/22/2012)

Week 11 (3/27/2012 – 3/29/2012) Money and Inflation (continued)

Quantity Theory of Money, Causes of Inflation, Hyperinflation stories

Week 12 (4/3/2012) Trade Policies

International Economics: Net Exports and Exchange Rates; Trade Policies (**BP** parts of Ch 9 and 33)
Easter

Week 13 (4/10/2012 – 4/12/2012) Short Run Macroeconomics: Business Cycles

Short-run Fluctuations: Business Cycles, the AD-AS Model (**BP** Ch 28)

Week 14 (4/17/2012 – 4/19/2012) Stabilization Policy Part I

Stabilization Policy Part I: Government and Fiscal Policy (**BP** Ch 31)
EXAM 4 (4/17/2012)

Week 15 (4/24/2012 – 4/26/2012) Stabilization Policy Part II

Stabilization Policy Part II: The Fed and Monetary Policy (**BP** Ch 32)

Week 16 (5/1/2012 – 5/3/2012)

Catch-up
EXAM 5 (5/3/2012)

Finals Week

(OPTIONAL) FINAL EXAM Tuesday 5/8/2012 1:00-3:00

Rusche College of Business Syllabus Addendum

Program Learning Outcomes:

Program learning outcomes define the knowledge, skills, and abilities students are expected to demonstrate upon completion of an academic program. These learning outcomes are regularly assessed to determine student learning and to evaluate overall program effectiveness. You may access the program learning outcomes for your major and particular courses at <http://cobweb.sfasu.edu/plo.html>.

General Student Policies:

Academic Integrity (A-9.1)

Academic integrity is a responsibility of all university faculty and students. Faculty members promote academic integrity in multiple ways including instruction on the components of academic honesty, as well as abiding by university policy on penalties for cheating and plagiarism.

Definition of Academic Dishonesty:

Academic dishonesty includes both cheating and plagiarism. Cheating includes but is not limited to (1) using or attempting to use unauthorized materials to aid in achieving a better grade on a component of a class; (2) the falsification or invention of any information, including citations, on an assigned exercise; and/or (3) helping or attempting to help another in an act of cheating or plagiarism. Plagiarism is presenting the words or ideas of another person as if they were your own. Examples of plagiarism are (1) submitting an assignment as if it were one's own work when, in fact, it is at least partly the work of another; (2) submitting a work that has been purchased or otherwise obtained from an Internet source or another source; and (3) incorporating the words or ideas of an author into one's paper without giving the author due credit. Please read the complete policy at http://www.sfasu.edu/policies/academic_integrity.asp.

Withheld Grades Semester Grades Policy (A-54)

Ordinarily, at the discretion of the instructor of record and with the approval of the academic chair/director, a grade of WH will be assigned only if the student cannot complete the course work because of unavoidable circumstances. Students must complete the work within one calendar year from the end of the semester in which they receive a WH, or the grade automatically becomes an F. If students register for the same course in future terms the WH will automatically become an F and will be counted as a repeated course for the purpose of computing the grade point average.

Students with Disabilities

To obtain disability related accommodations, alternate formats and/or auxiliary aids, students with disabilities must contact the Office of Disability Services (ODS), Human Services Building, and Room 325, 468-3004 / 468-1004 (TDD) as early as possible in the semester. Once verified, ODS will notify the course instructor and outline the accommodation and/or auxiliary aids to be provided. Failure to request services in a timely manner may delay your accommodations. For additional information, go to <http://www.sfasu.edu/disabilityservices/>.

Acceptable Student Behavior

Classroom behavior should not interfere with the instructor's ability to conduct the class or the ability of other students to learn from the instructional program (see the Student Conduct Code, policy D-34.1). Unacceptable or disruptive behavior will not be tolerated. Students who disrupt the learning environment may be asked to leave class and may be subject to judicial, academic, or other penalties. This prohibition applies to all instructional forums, including electronic, classroom, labs, discussion groups, field trips, etc. The instructor shall have full discretion over what behavior is appropriate/inappropriate in the classroom. Students who do not attend class regularly or who perform poorly on class projects/exams may be referred to the Early Alert Program. This program provides students with recommendations for resources or other assistance that is available to help SFA students succeed.