Texas A&M University-Corpus Christi
College of Business
Course Syllabus
Summer I 2012
6/4-7/6

Course Number: ECON 2301 Section 002: MTWR 10:00-11:55 AM / OCNR-xxx
ECON 2301 Section 003: MTWR 2:00-3:55 PM / OCNR-xxx

Course Name: Macroeconomics Principles

Instructor: Jim Lee

Office: OCNR-315

Phone: (361) 825-5831

Office Hours: MTWR 9:00-10:00 AM; 12:00-2:00 PM
Or by appointment

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Homepage URL http://faculty.tamucc.edu/jlee/2301
E-mail jim.lee@tamucc.edu

2. Scantrons no. 882-E (2 for exams)


Prerequisites: None. However, students taking remedial courses in Basic English (ENGL 0399) and/or Mathematics (MATH 0398 & 0399) are not recommended to take this course concurrently.

Instructional Methodology: Lecture, class discussions and activities, assignments and video presentations.

COURSE DESCRIPTION

An overview of how the economy of the United States is organized and functions in a market system. Market processes are used to show how resources and incomes are allocated by households and businesses. Determination of national income, employment, prices, interest rates, and growth are the focus of simple analytical techniques. Monetary and fiscal policies are examined including their international dimensions. Satisfies the economics component of the University core curriculum.

Learning Objectives:
By the end of this course, the students will able to:
1. understand the subject matter of economics and its relevance to the contemporary world,
2. apply core economic principles and reasoning to real-world economic issues,
3. discuss and analyze government policy measures and their impacts on economic welfare,
4. assess the performance of the U.S. and other economies, and
5. effectively review and prepare for the Major Field Test for business majors.
Major Field Test:
The Major Field Test (MFT) is required for all students pursuing the Bachelor of Business Administration degree and will be administered in the MGMT 4388 course, “Administrative Policy and Strategy.” To prepare for this test, business majors are advised to retain their class notes, textbooks, and other relevant materials from this class and the other business core courses. Students will enroll in BUSI 0088 “MFT Review” (concurrently with MGMT 4388) during their final semester; this online course should fine-tune their readiness for the MFT by encouraging them to complete the online MFT review materials and required quizzes available on the course Blackboard learning modules.

Relationship to the University Core Curriculum Program:
As an integral part of TAMU-CC’s Core Curriculum Program within the framework of the various curriculum perspectives outlined in the Texas A&M University-Corpus Christi 2009-2010 Undergraduate Catalog, through its extensive coverage of related topics and other course requirements, Economics 2301 seeks to enhance students’ intellectual skills in the areas of written and oral communications, mathematical competency and critical thinking.

How Economics 2301 addresses the curriculum perspectives of the Core Program:
The analysis of contrasting views of the impact of economic policies, such as fiscal, monetary and international trade policies and of regulations such as those related to prices, banking, labor practices, social assistance program and so on, will provide Economics 2301 students with an appreciation of how individuals relate to the larger society and to the entire world.

The understanding of the operation of our free enterprise system, the economic roles of the government, consumers, businesses and other economic participants and the study of the “ethics of the marketplace” within the context of supply and demand analysis will equip Economics 2301 students will an appreciation of the principles and ethics and human interaction in the production, distribution and consumption of goods and services in our society.

Another perspective of the Core Curriculum, which deals with the relationships among abstract quantities, is addressed in Economics 2301 through the study of economic theories, which as simplifications of reality are often presented in abstract form through the use of graphs (supply and demand graphs, for example) to explain economic events or to forecast them. Additionally, related to this perspective, students in this class will learn how expectations about the future affect economic variables. Specifically, students in this class will understand how, for example, investors’ and bankers’ expectations about future inflation or about the future direction of monetary policy will affect current and future levels of prices, wages, interest rates, currency values, etc.

How Economics 2301 enhances the six Core Curriculum skills:
Throughout the course, students in Economics 2301 will have ample opportunities to enhance their proficiency in the six intellectual skills specified in the TAMU-CC Undergraduate Catalog.

The last page of this document contains the topical contents and reading assignments from the textbook. Moreover, the course project compels students to do significant reading from outside sources, including the Financial Times, Economist, Wall Street Journal, other periodicals and reports on economic indicators published by government agencies such as the Department of Labor, the Department of Commerce, the Federal Reserve Board and others. These reports are widely accessible through the Internet. Exposure to economic and business terminology in these materials certainly provides students with an opportunity to further develop their reading and writing skills.
Although Economics 2301 is primarily a lecture oriented course, students do have opportunities to participate in class discussions, ask and answer questions in class and communicate with the instructor outside the classroom. Homework assignments offer another opportunity for students to exchange ideas verbally and to enhance their listening and speaking skills.

The study of economics is not possible without **critical thinking and quantitative analysis**. The fundamental economic concept of “opportunity cost” and its applications in decision-making process provide Economics 2301 students with a valuable critical thinking tool. The examination of alternative economic theories and policies encourages students to evaluate the merits and drawbacks of each of them and, in this process, to sharpen their critical thinking skills. Similarly, numerical problem-solving on topics such as converting nominal into real Gross Domestic Product, estimating the rate of inflation and the rate of economic growth, the lending capacity of a bank and many other quantitative topics covered in Economics 2301 constitute effective ways through which students can improve their mathematical competency and their critical thinking skills.

**Relationship to Other Coursework:**
An understanding of why and how the U.S. and other economies work is necessary for one to appreciate or participate in the current policy debates. Economic considerations are pervasive in public policy debates, analysis and decisions. Consequently, a basic knowledge of the macroeconomy and the use of economic reasoning are beneficial to every field of study, more especially business related studies.

**PERFORMANCE EVALUATION AND GRADING**

Student performance will be evaluated on the basis of 2 exams and 2 application homework assignments. The material covered on examinations may include scheduled material from the text, class lecture and activities, including assignments and class presentations.

The following is the weight distribution of coursework for determining the overall course average:

<table>
<thead>
<tr>
<th>Coursework</th>
<th>Points</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Exams (equal weight of 30% each)</td>
<td>600</td>
<td>60%</td>
</tr>
<tr>
<td>2 Media Article Assignments via Turnitin (equal weight of 15% each)</td>
<td>300</td>
<td>30%</td>
</tr>
<tr>
<td>Class Attendance &amp; Participation</td>
<td>100</td>
<td>10%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,000</strong></td>
<td><strong>100%</strong></td>
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The Official Course Grade is determined by a letter grade using the following scale: A: >90%; B: 80-89.99%; C: 70-79.99%; D: 60-69.99%; F: below 60%.

**The student’s performance, not the instructor, determines the course grade. No additional work will be given after the final exam to supplement a course grade. Grades are given based solely on student performance, not needs or any personal reasons.**

No makeup will be given after a scheduled exam. Students with legitimate excuses (university functions or medical reasons) and documentation may arrange with the instructor for a makeup before a scheduled exam. The only exception is admittance to an Emergency Room, and a makeup exam can be taken only before the first class immediately after the scheduled exam.

It is the students’ own responsibility to ensure test scores are correct. Students cannot dispute any test score more than one month after the scantrons are returned or after the next test is taken, whichever comes first.
Attendance Policy:
Students are held responsible for class attendance. Class attendance is a necessary but not sufficient condition for active class participation and satisfactory course performance. Students absent from classes are responsible for making arrangements to submit assignments due, material discussed, and announcements made in class. Assignments and exams missed due to absences cannot be made up except for illness or other emergencies, in which case a doctor’s note or other official documentation is required to accompany the assignment.

Classroom Etiquette:
Examples of classroom misconduct that may affect student evaluation include: habitually entering or leaving the classroom during class time without the consent of the instructor, using any telecommunication device, talking or chit-chatting with other students, and any other activities that are disruptive to the learning environment. Students caught engaging in such activities should expect class or course dismissal along with a letter of reprimand placed in their academic files. According to the University policy, no cell phone is allowed in a room when a test/exam is taken.

Academic Honesty:
University students are expected to conduct themselves in accordance with the highest standards of academic honesty. Academic misconduct includes all forms of cheating, including illicit possession of examinations or examination materials, forgery, or plagiarism, which is the presentation of the work of another as one’s own. Students caught engaging in such activities should expect course dismissal along with a letter of reprimand placed in their academic files.

Turning in another student’s work (assignments, exams etc) without the knowledge of the instructor constitutes forgery of both the student turning in another one’s work and the student who completes the work.

A student caught cheating in an exam will be expelled from the examination room and given a zero grade for the first time for the exam in question along with a report to the Office of Academic Affairs. Repeated offenses result in an F for the whole course. Students caught indulging in behavior suggestive of cheating (e.g., whispering or passing notes) will be warned for the first time and will be expelled from the exam room in the case of continued misbehavior.

Student Code of Ethics: http://cob.tamucc.edu/students/ethics.htm
This course, and all other courses offered by the College of Business (COB), requires all of its students to abide by the COB Student Code of Ethics (available online at www.cob.tamucc.edu). Provisions and stipulations in the code are applicable to all students taking College of Business courses regardless of whether or not they are pursuing a degree awarded by the COB.

Last Day of Withdrawal:
Only students who complete the course withdrawal form before the deadline on June 22 (equivalent of the 10th week of classes in regular semesters) will receive an automatic grade of “W”.


OTHER ASPECTS OF THE COURSE

Ethical Perspectives:
In this course, the approach to macroeconomic issues is positive (i.e., what is) rather than normative (i.e., what ought to be). As a result, there is minimal discussion of ethical issues.

Global Perspectives:
Global economic trends, the economic performance and trade policy impact macroeconomic analysis and policy decisions. As a result, the global and intergenerational perspectives are critical to macroeconomic study.

Demographic Diversity Perspectives:
Macroeconomic policy impacts various demographic groups differently, while these groups are also able to influence macroeconomic policy differently. Hence, the distributional effects of macroeconomic policy will be examined and discussed.

Political, Social, Legal, Regulatory, and Environmental Perspectives:
In discussing the role of the government in an economy, various political, social, legal, regulatory, and environment issues and questions arise. These questions and issues are examined in the macroeconomic context, and sometimes, from the microeconomic viewpoint.

Grade Appeals:
As stated in University Rule 13.02.99.C2, Student Grade Appeals, a student who believes that he or she has not been held to appropriate academic standards as outlined in the class syllabus, equitable evaluation procedures, or appropriate grading, may appeal the final grade given in the course. The burden of proof is upon the student to demonstrate the appropriateness of the appeal. A student with a complaint about a grade is encouraged to first discuss the matter with the instructor. For complete details, including the responsibilities of the parties involved in the process and the number of days allowed for completing the steps in the process, see University Rule 13.02.99.C2, Student Grade Appeals, and University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures. These documents are accessible through the University Rules Web site at http://www.tamucc.edu/provost/university_rules/index.html. For assistance and/or guidance in the grade appeal process, students may contact the Office of Student Affairs.

Disabilities Accommodations:
The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please call or visit Disability Services at (361) 825-5816 in CCH-116.

If you are a returning veteran and are experiencing cognitive and/or physical access issues in the classroom or on campus, please contact the Disability Services office for assistance at (361) 825-5816.
### ECON 2301 TENTATIVE COURSE OUTLINE

<table>
<thead>
<tr>
<th>Topic</th>
<th>Textbook Chapter</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Course Introduction</strong></td>
<td></td>
<td>6/4</td>
</tr>
<tr>
<td>Ten Principles of Economics</td>
<td>1</td>
<td>6/5</td>
</tr>
<tr>
<td>Thinking Like an Economist</td>
<td>2</td>
<td>6/6;6/7</td>
</tr>
<tr>
<td>The Market Forces of Supply</td>
<td>3</td>
<td>6/11;6/12</td>
</tr>
<tr>
<td>Measuring a Nation’s Income</td>
<td>23</td>
<td>6/13;6/14</td>
</tr>
<tr>
<td><strong>Exam 1 (in class)</strong></td>
<td></td>
<td>6/18</td>
</tr>
<tr>
<td>Measuring the Cost of Living</td>
<td>24</td>
<td>6/19</td>
</tr>
<tr>
<td>Production and Growth</td>
<td>25</td>
<td>6/20;6/21</td>
</tr>
<tr>
<td>Unemployment</td>
<td>28</td>
<td>6/25;6/26</td>
</tr>
<tr>
<td>The Monetary System</td>
<td>29</td>
<td>6/27;6/28</td>
</tr>
<tr>
<td>Money Growth and Inflation</td>
<td>30</td>
<td>7/2</td>
</tr>
<tr>
<td>Open-Economy Macroeconomics</td>
<td>31</td>
<td>7/3</td>
</tr>
<tr>
<td><strong>Review</strong></td>
<td></td>
<td>7/5</td>
</tr>
<tr>
<td><strong>Exam 2</strong></td>
<td></td>
<td>TBA</td>
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</tbody>
</table>
Objective
To understand daily economic/business news and to apply one or more economic concepts to the event reported in the news article. The goal of any assignment is to evaluate your ability to: (1) be self-disciplined; (2) follow instructions; and (3) particularly for this assignment, understand and interpret daily events from the economic perspective. Keep in mind that this assignment focuses on how you apply (or relate) textbook concepts to real world events, and not on how you critique a news article or summarize a commenter/researcher/reporter’s opinions.

Pre-approved News Sources
- New York Times (nytimes.com)
- Wall Street Journal (wsj.com)
- Financial Times (ft.com)
- Economist (economist.com)
- Washington Post (washingtonpost.com)

Media articles should be at least one page in length when printed and do not include short summaries by, e.g., AP, CNNMoney, or Newsweek. Any other source involves a 10% deduction.

Warning: Use a search engine at your OWN RISK! It is not recommended for this purpose.

The format of the written assignment (checklist):
- use Word or save the file in Word format only. No other format will be accepted (they don’t convert properly).
- between 400 and 700 words; write in your own words (no quotations in the main text)
- at least two paragraphs: one paragraph summarizing the content of the media article, and another paragraph discussing how you apply the pre-assigned economic topic/concept to the news event
- insert the main heading (not subheading) of the news article between quotation marks (“xxx”) at the top of your assignment
- insert the hyperlink (if online) or source (if in print) of the article between quotation marks (“xxx”) at the end of the assignment. DO NOT insert the whole article.
- follow the specific instructions for each particular assignment on page 9.

Common Point Deductions:
1. At least 10% deduction applies to each violation of the above format requirements.
2. Missing discussion of the specific topic assigned (10-30%)
3. Wrong topic – non-economics (90%); wrong topic but economics (30-50%)
4. Inappropriate materials – news older than a year (20%); methodological or conceptual articles from academic journals and publications instead of news (50-90%); blogs or opinions (50-70%)
5. Quotations are not allowed (not necessary) and they will be included in the Matching Report: You are required to write a “summary” in your OWN words.
6. Writing length too short (10-50%, 10% each 50 words below requirement) or too long (10%)
7. News article shorter than one regular page in print without margins (20-50%)
8. Missing a hyperlink or source (10-30%, depending on your contents)
9. Late submissions receive deduction at 20% per day (the first second after the deadline at 11:59)
10. Two or more grammatical, typos or other writing errors, or illogical sentences (10-50%). You are recommended to seek tutorials (page 4) before submitting your assignment.
11. Non-approved news sources (10%).

Assignment only accepted through Turnitin (see next page).
First Article due: 6/17 Sunday, 11:59 PM Topic: Supply and Demand Application
Third Article due: 7/5 Thursday, 11:59 PM Topic: Macroeconomic Policy Application
ECON 2301
Media Article Assignments
Submission Instructions

Objective:
To ensure originality of student assignments. Students must follow the highest ethical standards, without committing plagiarism in coursework. Turnitin is an online plagiarism detecting system. Plagiarism is an “academic crime,” and one word is too many.

Procedure:
1. Login to turnitin.com. Register at least ONE DAY before the first assignment due date.
2. For the first time, click “New Users” at the top right corner of the homepage.
3. On the menu, select “student” to create your own student account.
4. For the user profile, your class ID and password are:

<table>
<thead>
<tr>
<th>Section</th>
<th>Class</th>
<th>Class ID</th>
<th>Password</th>
</tr>
</thead>
<tbody>
<tr>
<td>002 (10:00-11:55 AM)</td>
<td>ECON2301-2</td>
<td>4961471</td>
<td>econ</td>
</tr>
<tr>
<td>003 (2:00-3:55 PM)</td>
<td>ECON2301-3</td>
<td>4961474</td>
<td>econ</td>
</tr>
</tbody>
</table>

5. Enter your personal information, including your own email address and password.
6. The class ECON2301 should appear on the screen after you login. Click ECON2301 to enter your own class section. If you register in the wrong section, you must notify the instructor immediately, or you will receive no grades from your assignments.
7. The name of the first assignment is HW1, and the name of the second assignment is HW2, and so on. Click on the name to begin submission. You should upload a file that you have already made up with a word processor and save it in Word. Make sure you press the SUBMIT button after viewing your file in draft mode. This step confirms that you submit your own work.
8. Submit your assignment by the deadline. All student assignments must be submitted online through Turnitin. NO EXCEPTION (no submission through email or in person will be considered).
9. You can resubmit your assignment (which overwrites the existing one) before the deadline. Your assignment will not be graded until the deadline.
10. To review your graded assignment, click on the icon for GRADEMARK with comments and scores. The list of comments is also at the bottom of the screen.

1. Submit a Paper
   Each assignment submission generates an Originality Report. Click on “Report” to view the results.
   Point deductions will be applied corresponding to the percentage of Plagiarism Matches between 10% and 34%. A 35% or higher matching results in a zero score. A 65% or higher matching results in a failing grade for the course and a letter or reprimand place in the student’s academic file at the TAMUCC. A 50% or higher matching for the second time results in a zero score for ALL assignments. The student is responsible for the matching results at the deadline. While it is normal to have a little matching (<5%), 1% is considered too much by the highest standard, meaning that we only consider the total amount of matching instead of from different sources.
   You will be able to obtain a copy of the Originality Report for the assignment and make corrections before the deadline. You should allow a minimum of 4 hours for Turnitin to complete the Similarity Check. As grading will be based on the Originality Report after the deadline, your Similarity Points may be higher if your assignment matches another assignment submitted at the same time. In this case, you are subject to the HIGHER Similarity Points. Only one match is shown for multiple matches, so that you may get a matching with another student if both you and that student (whom you don’t know) have a matching with the news article.
Specific Guidelines for Media Assignments

Helpful Hints:
Writing in economics is commonly considered as TECHNICAL writing, meaning that you have to be accurate about the meaning of your writing in addition to grammar and contents.

Timeline:
1. Find the article that interests you and is suitable for the assignment: 2-5 hours
2. Read and analyze the article: 1-3 hours
3. Summarize the article (first part of the assignment): 30 minutes to 1 hour
4. Analyze the article and apply the assigned economic concept to the news event: 1-2 hours
5. Upload the written assignment at Turnitin: 10-20 minutes
6. Get Matching Score from Turnitin: 1-4 hours processing time
7. Before the deadline, you can revise the paper if your Matching Score exceeds 10%
8. Review your assignment at Turnitin by clicking that GRADEMARK button: 10-30 minutes

Checklist for you before you finalize your submission:
HAVE YOU READ IT YOURSELF AND DOUBLE-CHECKED …?
1. the appropriateness of the news article (make sure it is “news” about a recent event)
2. the format (“heading”, 400-word text in ≥ 2 paragraphs, “source”, and insert graph if needed)
3. grammar and spellchecked the assignment, and “matching %”
4. the file is in Word format (graphs will not display properly in draft mode when you review it before your confirm your submission), and Turnitin accepts only one file (the last file you submit overwrites any old file).

Media Article Assignment No. 1, due June 17, 2012, 11:59 PM
✓ Before you start this assignment, you should read the textbook material on Supply and Demand.
✓ Find a news article that talks about a market. (10%)
✓ Summarize the key point of the article. (20%)
✓ Use a supply and demand diagram to explain any change in the market as reported in the article (30%).
✓ Explain the change in market price through a shift of either the supply curve or the demand curve, or both (30-50%).
✓ How does the supply and demand analysis help you understand the event reported in the article? (10%)

NOTE: Graphs may not show up on the screen when you review them in draft mode but they will eventually show up when the assignment is graded.

Media Article Assignment No. 2, due July 5, 2012, 11:59 PM
✓ Before you start this assignment, you should read the textbook material on the macroeconomy.
✓ Find a news article about how the government or the central bank attempted to affect the macroeconomy. (20-40%)
✓ Summarize the key point of the article. (20-30%)
✓ Identify the particular policy (fiscal or monetary) action (10%), and discuss the rationale for the policy and how it is meant to affect the economy (20-40%).
✓ This assignment does NOT require a graph.
✓ Warning: DO NOT use a webpage from the Federal Reserve or White House etc. (not a media)
Because of the rising fuel costs, including gasoline prices, the supply of feed mix of corn reduced as farmers use corn to produce ethanol, which is an additive in gasoline. As a result, the price of feed mix has risen, adding to the cost of cattle farming, which in turn raises the price of milk……[complete a summary of the media article here].

This article shows how substitutable goods in production eventually affect the price of a product, which is milk in this case. Because farmers can either produce ethanol or corn feed from their corn, they produce more ethanol and less corn feed as the market price of ethanol increases. The reduced supply of corn feed drives up its price and thus the cost of raising cattle. The graph above shows the supply and demand model for the milk market. The increase in oil prices ultimately raises the cost of milk production. This is represented by a shift of the supply curve to the left from $S_1$ to $S_2$. As a result, the equilibrium price of milk goes up from $P_1$ to $P_2$, and the equilibrium quantity of milk goes down from $Q_1$ to $Q_2$. The news article indicates that the market price has reached $3.72 in April and can be as high as $4 by the summer. This real-world event clearly shows how changes in the price of one product can have an effect on the prices of other related products. Even though gasoline and milk are not related in market consumption, they are related in some other ways.