Macroeconomics Principles

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.

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. In addition, students may find it advantageous to have already completed ENGL 1301 and MATH 1314 prior to taking this course.

Learning Objectives

- understand the subject matter of economics and its relevance to the contemporary world,
- apply core economic principles and reasoning to real-world economic issues,
- discuss and analyze government policy measures and their impacts on economic welfare,
- assess the performance of the U.S. and other economies, and
- 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 2004-2005 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.

**Instructional Methodology:**

In addition to lectures, the class will be interactive. A variety of learning methodologies will be used, such as: class discussions, team activities, and quizzes.
Performance Evaluation and Grading

Student performance will be evaluated on the basis of three in-class exams, a series of quizzes (see below), and an optional cumulative final exam.

75% of the class grade will come from exams. The material covered on examinations may include scheduled material from the text, class lectures and activities, including assignments and class presentations. See below for the weight distribution for determining the overall course average.

25% of the class grade will be comprised of a series of short “quizzes”. Quiz dates and topics will be announced in lecture and on Blackboard. A small number may will be take-home and involve writing about contemporary macroeconomic events. I will drop your two lowest quiz scores (see below). The remaining quizzes, excluding the 2 lowest scores, will receive equal weight in determining the 25% portion of your class grade.

<table>
<thead>
<tr>
<th>Coursework</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Exam 1 – Tuesday, June 11&lt;sup&gt;th&lt;/sup&gt;</td>
<td>25%</td>
</tr>
<tr>
<td>Exam 2 – Thursday, June 20&lt;sup&gt;th&lt;/sup&gt;</td>
<td>25%</td>
</tr>
<tr>
<td>Exam 3 – Tuesday, July 2&lt;sup&gt;nd&lt;/sup&gt;</td>
<td>25%</td>
</tr>
<tr>
<td>Quizzes</td>
<td>25%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100%</td>
</tr>
</tbody>
</table>

Each class and exam is unique. Nevertheless, as a rough idea of the grading scale you can expect, I offer the following:

90.0% – 100% = A
80.0% – 89.9% = B
70.0% – 79.9% = C
60.0% – 69.9% = D
<60.0% = F

The actual scale for the course will be set at the end of the semester, when all grades on all assignments are available.

The student’s demonstrated 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.

It is the student’s own responsibility to ensure test scores are correctly posted on Blackboard. Students cannot dispute any test or quiz score more than one month after the item is returned or after the next test / quiz is taken, whichever comes first.

Required or Recommended Readings

**Required:** Course notes (distributed on Blackboard)


**Optional:** Newspapers and Business Magazines such as *Financial Times, Economist, Business Week, Wall Street Journal* and *Fortune*. 
Course Policies

Attendance/tardiness

Students are held responsible for class attendance. Students absent from classes are responsible for assignments due, materials discussed in class, and class announcements - including but not limited to any changes in midterm exam dates. Checking Blackboard often is highly recommended. I reserve the right to offer extra credit opportunities in class, without notice.

Late work and Make-up Exams

Exams: All students are expected to take the three in-class exams on schedule. The final exam is optional and cumulative (though it will be very heavily drawn from material from Exam 2 and Exam 3). Additional details will be available before the final.

No make-up exams will be given for the three in-class exams unless scheduled before the exam date. (Legitimate reasons for scheduling a make-up exam include university functions or medical reasons and require documentation).

If a student misses one of the three in-class exams, its weight will be shifted to the cumulative final exam. If a student misses more than one in-class exam, I reserve the right to (i) give that student a grade of zero on one or both missed exams, and/or (ii) require additional work from that student.

If a student takes all three in-class exams, the student may choose to take the cumulative final exam as an opportunity to improve a score on one of the three in-class exams of their choosing.

Quizzes: No make-up quizzes will be given unless scheduled before the quiz date. However, I will drop your two lowest quiz scores.

Homework: Late homework assignments will not be accepted under any circumstance.

Extra Credit

A series of homework assignments will be distributed throughout the semester. Homework assignments are extra credit. As I generally distribute answers to homework assignments on the date they are due, I cannot accept late homework. Each homework assignment will receive a grade of “check-plus”, “check”, or “check-minus”, which are worth 10 points, 7 points, and 3 points, respectively. Just before assigning grades at the end of the semester, I will total the points for all homework assignments then add this amount to your final class score. Further, quizzes will often be based very closely on homework problems. While you are not required to turn in homework, I strongly recommend doing it, both for the points and the practice. You can anticipate roughly 6-8 homework assignments throughout the semester.

Cell Phone/Electronic Device Usage

Use of any telecommunication device is not permitted in class. Students caught engaging in such activities will be asked to leave the class for the remainder of the lecture time. No laptop computers will be allowed to be operated during the class. Please mute or turn off your cell phone in class!

Academic Integrity/Plagiarism.

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.tamu-cc.edu](http://www.cob.tamu-cc.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. University students are expected to conduct themselves in accordance with the highest standards of academic honesty. Academic misconduct for which a student is subject to penalty includes all forms of cheating, such as illicit possession of examinations or examination materials, falsification, forgery, complicity or plagiarism. In this class, academic misconduct or complicity in an act of academic misconduct on an assignment or
test will result in severe penalties. It is your responsibility to ensure that your behavior conforms fully to spirit and letter of the academic integrity statement. If you have any questions, do not hesitate to ask me.

**Dropping a Class**

I hope that you never find it necessary to drop this or any other class. However, events can sometimes occur that make dropping a course necessary or wise. Please consult with me before you decide to drop to be sure it is the best thing to do. Should dropping the course be the best course of action, you must initiate the process to drop the course by going to the Student Services Center and filling out a course drop form. Just stopping attendance and participation WILL NOT automatically result in your being dropped from the class.

**Friday, June 21st is the last day to drop a class with an automatic grade of “W” this term.**

**Classroom/professional behavior**

Texas A&M University-Corpus Christi, as an academic community, requires that each individual respect the needs of others to study and learn in a peaceful atmosphere. Under Article III of the Student Code of Conduct, classroom behavior that interferes with either (a) the instructor’s ability to conduct the class or (b) the ability of other students to profit from the instructional program may be considered a breach of the peace and is subject to disciplinary sanction outlined in article VII of the Student Code of Conduct. Students engaging in unacceptable behavior may be instructed to leave the classroom. This prohibition applies to all instructional forums, including classrooms, electronic classrooms, labs, discussion groups, field trips, etc.

Exceptional class performance may change your grade in either direction.

**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 Corpus Christi Hall (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.
## Tentative Course Outline

<table>
<thead>
<tr>
<th>Topic</th>
<th>Chapter</th>
<th>Class Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction, Ten Principles of Economics</td>
<td>1</td>
<td>6/3</td>
</tr>
<tr>
<td>Thinking Like an Economist, Interdependence and the Gains from Trade</td>
<td>2, 3</td>
<td>6/4</td>
</tr>
<tr>
<td>The Market Forces of Supply</td>
<td>4</td>
<td>6/5</td>
</tr>
<tr>
<td>The Market Forces of Supply (Continued)</td>
<td>4</td>
<td>6/6</td>
</tr>
<tr>
<td>Supply, Demand, and Government Policies</td>
<td>6</td>
<td>6/10</td>
</tr>
<tr>
<td><strong>Exam 1</strong></td>
<td>--</td>
<td>6/11**</td>
</tr>
<tr>
<td>The Design of the Tax System, Measuring a Nation's Income</td>
<td>12*, 23</td>
<td>6/12</td>
</tr>
<tr>
<td>Measuring the Cost of Living</td>
<td>24</td>
<td>6/13</td>
</tr>
<tr>
<td>Measuring the Cost of Living (Continued)</td>
<td>24</td>
<td>6/17</td>
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<tr>
<td>Unemployment</td>
<td>28</td>
<td>6/18</td>
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<tr>
<td>Review</td>
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<td>6/19</td>
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<tr>
<td><strong>Exam 2</strong></td>
<td>--</td>
<td>6/20**</td>
</tr>
<tr>
<td>The Monetary System (money &amp; banking)</td>
<td>29</td>
<td>6/24</td>
</tr>
<tr>
<td>The Monetary System (monetary policy)</td>
<td>29</td>
<td>6/25</td>
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<tr>
<td>Aggregate Demand and Aggregate Supply</td>
<td>33</td>
<td>6/26</td>
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<tr>
<td>Money Growth and Inflation</td>
<td>30</td>
<td>6/27</td>
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<tr>
<td>Review</td>
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<td>7/1</td>
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<tr>
<td><strong>Exam 3</strong></td>
<td>--</td>
<td>7/2**</td>
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<tr>
<td>Review</td>
<td>--</td>
<td>7/3</td>
</tr>
<tr>
<td><strong>Final Exam</strong></td>
<td>--</td>
<td>7/5, 10:00AM**</td>
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</table>

* Inserted chapter from “Principles of Microeconomics” in the customized textbook

** Exam Date