

PRINCIPLES OF MACROECONOMICS – ECON 101

Palomar College

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Lecture: T/Th 11am

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Catalog Description:

This course is intended to provide descriptive analysis of the structure and functioning of the economy of the United States. Emphasizes national income, problems of inflation and unemployment, the role of government, money supply, and economic growth.

Jon's Description:

The primary aim of this class is to introduce the economist's way of thought. In particular, we investigate why the United States (and many other countries) adopted a market based approach to managing the fundamental economic problem of scarcity and unlimited wants. This intuition is dependent upon understanding the nature of the consumer and firm. We flesh out the many shortcomings of the market based system such as income inequality, unemployment, inflation and the business cycle. We then reason through the increased role of the government to alleviate the consequences of such market failures.

Successful Students:

Will be able to: (1) assess the impact of current events using market analysis, (2) explain how market based economies evolve, (3) explain the role of competition and the role of the government in market based economies, and (4) offer various policy options to alter the state of the economy.

Required Text:

McConnell, Brue, and Flynn. Macroeconomics. 19th Edition with Connect (Boston: Irwin/McGraw-Hill). The book is available online as an ebook. I will also occasionally provide addenda to the lectures from other sources.

(Strongly) Recommended Reading:

It is recommended that you read, on a regular basis, publications such as The Economist, The Wall Street Journal, and Financial Times as a way to keep up with events of economic significance. As you find articles of interest, you are encouraged to share them with me and/or the class.

GRADE CALCULATION:

The following is a breakdown of the contributions to your final grade:

a.	16 Chapter Quizzes (10 points each)	150
b.	3 Exams	
	i. 2 Midterms (100 pts each)	200
	ii. Comprehensive Final	150
c.	3 Problem Sets (50 points each)	150
d.	<u>Participation</u>	<u>100</u>
	TOTAL POSSIBLE POINTS	750

Grade Distribution:

I will assign grades according to the following table. Depending on the final scores, I may curve the grade distribution in your favor. Periodically, there will be opportunities for extra credit assignments.

If you earn at least <u>this many points:</u>	Then your minimum <u>grade will be:</u>
675	A
600	B
525	C
450	D
0	F

Quizzes:

Quizzes are online at the blackboard site for this class. Quizzes typically contain 20 true/false, multiple choice, and/or fill in the blank questions. You are allowed one attempt to complete the quiz, but you will have the entire period of time that the quiz is available to work on your answers. That is, you can submit your quiz once. After that, the score is recorded. But you can save your answers as many times as you like. You can use your notes, textbook, and a calculator. **Note: I will drop your worst two quiz scores and give you double credit for your best score. Therefore, if the deadline for a quiz has passed you will not be allowed to retake it.**

Exams:

There will be two midterm exams and one final exam. The exams will consist of multiple choice and short answer questions. Each exam will be comprehensive, but with an emphasis on the material covered since the previous exam. If you must miss an exam, you must contact me ahead of time to schedule a make-up. Please know that this make-up exam will be substantially more difficult than the in-class version. You are allowed to make-up one midterm. There are no make-ups for the final exam.

Problem Sets:

There will be three problem sets. Each problem set is worth **50 points**. Points will ONLY be awarded if all the problems have been attempted AND all work is shown. You will not receive many points if you submit an incomplete problem set, i.e. where only some of the problems have been attempted and/or all of your work is not shown. Note that the problem sets grade does not depend on whether you get the answers correct, but rather on whether you have made a good faith effort to complete the assignment. While correct answers are important, the goal of these homework assignments is to give you practice at solving the types of problems that you will see on quizzes and exams.

NOTE: I will post an answer sheet immediately after the problem sets are due, so I will not accept any late papers for any reason. This is all the more reason to finish your work ahead of time. If your computer breaks, the dog eats your laptop, there is a power outage, or whatever, I will be sympathetic, but still will not accept late papers. Thus, it is smart if you do the assignment early so that you can get it to me. The due dates are on the course schedule and are denoted by an *.

Participation:

I will drop any student who fails to attend two out of the first three classes.

Attendance is a minimal requirement to receive full credit for class participation. In addition, students are expected to participate actively in the learning process. Quality participation in class may be achieved by

asking intelligent questions, and by offering well-reasoned input. However, do not let the prior statement discourage you from participating. It is okay to be wrong; in fact, we often learn more from our wrong answers than from our right ones. Questions are only stupid when the person asking has no serious interest in learning the answer. **I deduct points increasingly for each absence after your second, regardless of excuse. Please arrive on time, do not leave, if must be late be as unobtrusive as possible.**

OTHER PERTINENT INFORMATION:

The library may have a copy of the text on reserve. Its hours are as follows:

Mon.-Thu. 8 am - 9:00 pm Fri. 8 am - 4:00 pm Sat. 9:00 am - 1:00 pm Sun. CLOSED

JON'S ADVICE FOR SUCCESS:

1. Read the book, YES BEFORE and AFTER class.
2. Work through each chapter's practice quiz
3. Print out each chapter quiz with your answers BEFORE you submit it.
4. Come see me during office hours if you are having a hard time understanding anything, you would like a clarification, or are just interested in talking about economics!
5. Take notes, and then rewrite your notes.
6. Check out my answer key to the problem sets. Compare it to how you tried to solve the questions.
7. Read, on a regular basis, publications such as The Economist, The Wall Street Journal, and The New York Times as a way to keep up with events of economic significance.

Contacting me via e-mail (jsmith@palomar.edu) :

Be aware that I receive A LOT of junk email with subject lines such as "Can you help me", "I'm confused" and "Is this right?". I delete those emails automatically without looking at them. Thus, when you send me an email, please write in the subject line: "**ECON101: Your Full Name**". Thanks!

***On occasion you may have to miss a class, or may want to discuss the HW or your project with your classmates. I strongly advise you to take a moment and meet four classmates now.

Name: _____

Name: _____

Phone: _____

Phone: _____

e-mail: _____

e-mail: _____

Name: _____

Name: _____

Phone: _____

Phone: _____

e-mail: _____

e-mail: _____

Course Outline: (Note that these dates are not set in stone, but it is highly advisable that you read the chapters to be covered before the class that they are covered. Problem Set due dates are denoted with an * next to a date in parentheses.)

Date	Chapters	Topics
Jan 17	1	Introduction: Limits, Alternatives, and Choices
Jan 19	2	The Market System and the Circular flow
Jan 24	2	The Market System and the Circular flow
Jan 26	3	Demand, Supply, Equilibrium
Jan 31	3	Demand, Supply, Equilibrium, Welfare
Feb 2	20	International Trade
Feb 7	20	International Trade
Feb 9	5	Market Failures: Public Goods and Externalities
Feb 14*	5	Market Failures: Public Goods and Externalities, Review
Feb 16	EXAM 1	
Feb 21	6	An Introduction to Macroeconomics
Feb 23	7	Measuring Domestic Output and National Income
Feb 28	8	Introduction to Economic Growth and Instability
Mar 1	8	Introduction to Economic Growth and Instability
Mar 6	9	Business Cycles, Unemployment, and Inflation
Mar 8	9	Business Cycles, Unemployment, and Inflation
Mar 13	10	Basic Macroeconomic Relationships
Mar 15	10	Basic Macroeconomic Relationships
Mar 20		NO Class – Spring Break
Mar 22		NO Class – Spring Break
Mar 27	11	The Aggregate Expenditures Model
Mar 29*	11	The Aggregate Expenditures Model
April 3	EXAM 2	
April 5		NO CLASS – Political Economy Days
April 10	12	Aggregate Demand and Aggregate Supply
April 12	12	Aggregate Demand and Aggregate Supply
April 17	13	Fiscal Policy, Deficits, and Debt
April 19	13	Fiscal Policy, Deficits, and Debt
April 24	14	Money and Banking
April 26	14	Money and Banking
May 1	15	Money Creation
May 3	15	Money Creation
May 8	16	Interest Rates and Monetary Policy
May 10	16	Interest Rates and Monetary Policy, Review
May 15	FINAL EXAM – 10am	