

PRINCIPLES OF MACROECONOMICS



BROADCAST TITLE: Principles of Macroeconomics

COURSE NUMBER: S ECON 302 W

REFERENCE NUMBER: 50262

CREDIT HOURS: 3 Undergraduate or Graduate Credit Hours

DESCRIPTION: Studies the economy as a whole, dealing with economic data, behavior, and theory at the aggregate level of the economy. Examines income, output, employment, prices, and other variables in terms of their measurement, determination, and policy implication.

TUITION AND FEES: Undergraduate: \$225.00
Graduate: \$235.50

ORIENTATION: GSU Tuesday, January 14, 6:30 p.m. or
Saturday, January 18, 10 a.m.

INSTRUCTOR: Donald Miller

DISCUSSION/EXAM SCHEDULE: Tuesdays, 6:30 p.m.
Feb. 18, 1992
Mar. 24, 1992
Apr. 21, 1992

TEXT: Waud, *Macroeconomics*, 4th edition, Harper & Row.
Weiler, *Study Guide to Accompany Macroeconomics*, 4th edition, Harper & Row Publishers.

VIDEOTAPES: 24 one-half hour tapes, two per week

VIEWING:

- GSU Library
- Jones Intercable of Southern Suburbs - Channel 37
- Follett's GSU Bookstore
- Mokena Public Library
- Orland Park Public Library
- Cablevision - Channel 29
- Jones Intercable of Orland Park - Channel 4

GOVERNORS STATE UNIVERSITY

College of Business and Public Administration
Division of Accounting/Finance/Economics

COURSE SYLLABUS

INDEX NUMBER: ECON 302
COURSE TITLE: Principles of Macroeconomics
PROFESSOR: Dr. Don Miller: Phone (708) 534-5000, ext. 2266
Home (708) 747-1110
CREDIT HOURS: 3.0
COURSE LEVEL: Undergraduate

DESCRIPTION

This course is designed to introduce you to the subject of economics and to present a descriptive and theoretical analysis of the American economy. The course will describe major economic policy problems confronting the U.S. economy today including the growing international economic dimension of U.S. economic activity. A major focus of this course will be a detailed description of the principal macroeconomic policymakers in the United States and their interrelationships. The course will also discuss the basic theoretical tools with which an analysis of various macroeconomic policies can be undertaken.

RATIONALE

Principles of Macroeconomics is one of the foundation courses for the study of economics. The course should also make you a more intelligent and sophisticated analyst of economic issues and problems and therefore a better informed voter, worker, and consumer.

EXPECTED STUDENT OUTCOMES

Successful work in this course will enable you to do several things. Among the most important are:

1. Explain the nature of economics and the types of issues and problems that comprise macroeconomics.
2. Understand the concept of Opportunity Cost and use it to analyze economic decision making.
3. Use supply-demand analysis to explain how markets function.
4. Explain the basic macroeconomic performance indicators, such as: Gross National Product, the Consumer Price Index, and the unemployment rate.

5. Explain the methods and objective of fiscal and monetary policy.
6. Describe the principal macroeconomic policymakers in the United States and the components of macroeconomic policy for which they are responsible.
7. Differentiate between the principal schools of modern macroeconomic theory; Keynesians, Monetarists, and Supply-Side economists.
8. Describe the international economic effects of U.S. macroeconomic activity and macroeconomic policies.

REQUIRED READINGS

- Macroeconomics, 4th edition. Roger Waud. Harper and Row Publishers, 1989.
- Study Guide to Accompany Economics, 4th edition. John Weiler. Harper and Row Publishers, 1989.

REQUIRED VIEWINGS

- A. Videos of Lessons 1 through 24 as listed under "Class Outline."
- B. Five 1 hour videos from the Milton Friedman Series "Free to Choose" series. These are on 2-hour reserve in the GSU Library.

CLASS OUTLINE

- Lessons 1 & 2: Introduction to Economics. Economic goods and resources: Land, Labor and Capital. Economic Reasoning, Economic Theory, and the Basic Mathematics of Economic Analysis.
- Video "The Power of the Market" (on reserve, GSU Library)
- Lessons 3 & 4: Scarcity, Choice, and the Economic Problem. The Production Possibility Curve. Differing Economic Systems. Introduction to the Market System.
- Video "The Tyranny of Control" (on reserve, GSU Library)
- Lessons 5 & 6: Markets, Money, and the Circular Flow of Goods and Money. domestic and International Flows. The Role of the Government. An Introduction to Demand and Supply Analysis.
- Lessons 7 & 8: Demand and Supply Analysis, Market Equilibrium, and Market Changes.
- Mid-term Examination I
- Lessons 9 & 10: Macroeconomic Concepts: Gross National Product, National Income, Expenditure Analysis: Consumption, Investment, Government Spending, and Net Exports.

- Lessons 11 & 12: Economic Fluctuations: Business Cycles, Unemployment, Inflation. Basic Macroeconomic Theory: Aggregate Demand, Aggregate Supply, and Macroeconomic Equilibrium. The Effects of Changes in Investment and Government Spending.
- Video "Anatomy of Crisis" (on reserve, GSU Library)
- Lessons 13 & 14: Classical and Keynesian Macroeconomic Theories. The Income-Expenditure Approach. The Consumption and Saving Functions. Investment Demand and its Determinants. The Keynesian Equilibrium Model, Expenditure Changes and the Multiplier Effect.
- Lessons 15 & 16: Introduction to Fiscal Policy: Government Spending, Taxes and the Budget. Budget Policy, Deficits, and the Public Debt.
- Video "How to Stay Free" (on reserve, GSU Library)
- Lessons 17 & 18: The Effects of Fiscal Policy on International Trade and the Balance of Payments. Aggregate Demand and Supply revisited. The Inflation-Unemployment Trade-Off.
- Mid-term Examination II
- Lessons 19 & 20: Money, Banking and the Federal Reserve System. Banks and Money Creation. Money Demand, Money Supply and the Interest Rate.
- Lessons 21 & 22: Money and the Economy. Classical, Keynesian and Monetarist Views of the Role of Money in Income Determination. The Effects of Monetary Policy.
- Video "The Cure for Inflation" (on reserve, GSU Library)
- Lessons 23 & 24: An Overview of Fiscal and Monetary Policy. The International Effects of Macroeconomic Policies. The Political Dimension of Making Macroeconomic Policy.

FINAL EXAMINATION

EVALUATION

- Mid-term Examination I (30%) February 18, 6:30 p.m., on lessons 1-8, multiple choice
- Mid-term Examination II (30%) March 24, 6:30 p.m., on lessons 9-18, multiple choice
- Final Examination (30%) April 21, 6:30 p.m., on lessons 18-24, multiple choice

Written Assignments (2% each x 5 = 10%) as follows:

- Critical analysis of "The Power of the Market" due February 18
- Critical analysis of "The Tyranny of Control" due February 18
- Critical analysis of "Anatomy of Crisis" due March 24
- Critical analysis of "How to Stay Free" due March 24
- Critical analysis of "How to Cure Inflation" due April 21

The critical analyses must include what you were or were not convinced of and why. Defend your position citing concepts and facts you have already studied in the text and lectures. There is no minimum length or maximum length. The papers must be typewritten or carefully printed.

NOTE: The three examinations will not cover the material contained in these five videos.