

WINTER
1995

ECON 302

PRINCIPLES OF
MACROECONOMICS

Donald Miller

STUDENT PACKET
for

GOVERNORS STATE UNIVERSITY

MEDIA-BASED INSTRUCTION
Television Course

GSU ARCHIVES
ECON 302
W95



PRINCIPLES OF MACROECONOMICS

BROADCAST TITLE: Principles of Macroeconomics

COURSE NUMBER: S ECON 302 S

REFERENCE NUMBER: 50711

CREDIT HOURS: 3 Undergraduate 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: \$252.75
Graduate: \$265.50

ORIENTATIONS: Monday, January 23, 6:30 p.m. to 7:30 p.m. or
Tuesday, January 24, 11 a.m. - 12 noon

INSTRUCTOR: Donald Miller

DISCUSSION/EXAM SCHEDULE: Tuesdays, 6:30 p.m.
February 21, 1995
March 28, 1995
April 18, 1995

TEXT: Waud, Macroeconomics, 5th edition, Harper & Row.
Weiler, Study Guide, Principles of Macroeconomics, 5th edition, Harper & Row, 1993.
Teleclass Study Guide for Principles of Macroeconomics, Center for Extended Learning and Communication Services.

VIDEOTAPES: *1 two and one-half hour tape
24 one-hour tapes, two per week
*5 one-hour tapes, one every two weeks

VIEWING: GSU Library
Follett's GSU Bookstore
Mokena Community Public Library
Orland Park Public Library
Jones Intercable of Southern Suburbs - Channel 29

*Available only at GSU Library

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) 534-4966
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, 5th edition. Roger Waud. Harper and Row Publishers, 1993.

Study Guide for Principles of Macroeconomics, Weiler, 5th edition. 1993.

Teleclass Study Guide Principles of Macroeconomics, Center for Extended Learning and Communication Services, 1993.

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." These are on 2-hour reserve in the GSU Library and are not available elsewhere.
- C. One 2 1/2 hour video introducing the course and some basic economic concepts. This video is on reserve in the GSU Library and not available elsewhere.

CLASS OUTLINE

Video "Introduction to the Course" on reserve, GSU Library.

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.

Examination I (25%)

ECON 302

- 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.
Examination II (40%)
- 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.
Examination III (25%)

EVALUATION

Examination I (25%) Tuesday, February 21, 6:30 p.m., on lessons 1-8, multiple choice.

Examination II (40%) Tuesday, March 28, 6:30 p.m., on lessons 9-18, multiple choice.

Examination III (25%) Tuesday, April 18, 6:30 p.m., on lessons 18-24, multiple choice.

Written Assignments based on the five one-hour videos from the Milton Friedman "Free to Choose" series on reserve in the GSU Library (2% each x 5 = 10%) as follows:

Critical analysis of "The Power of the Market" due with Test #1.

Critical analysis of "The Tyranny of Control" due with Test #1.

Critical analysis of "Anatomy of Crisis" due with Test #2.

Critical analysis of "How to Stay Free" due with Test #2.

Critical analysis of "How to Cure Inflation" due with Test #3.

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.

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

NOTE: Please bring a stamped, self-addressed envelope to each test to be used to notify you of your grade on the test.