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|  | **Dillard College of Business Administration**  **Econ 2333: Macroeconomic Principles** |

**Contact Information:**

Instructor:

Office:

Office hours:

Phone:

Fax:

E-mail:

**Course Materials:**

1. Campbell R McConnell, Stanley L Brue, and Sean Masaki Flynn, *Macroeconomics,* 19th ed.McGraw-Hill, New York, NY, 2012. ISBN:978-0-07-733772-8 (MBF) (Required)

*2. Business week, The Wall Street Journal* (Recommended)

**Course Description:**

This course deals with the scope and methodology of economics and the development of principles useful for understanding the aggregate economy and for choosing policy to resolve problems such as unemployment, inflation, recession, economic stagnation and international trade imbalance.

This course is one of the nine courses comprising the Business Core in the Dillard College of Business Administration. The students must earn an overall GPA of 2.20 or higher in the Business Core in order to be admitted to the Dillard College of Business Administration.

**Course Prerequisite:**

**None**

**Learning Goals:**

The main objective of the course is to provide the student with an understanding of

economics as a part of everyday life and introduce some basic macroeconomic

concepts to help the student better understand the economy of the United States and

the world.

**A. Assessment of THECB Core Objectives for SOCIAL & BEHAVIORAL SCIENCES:**

* **Critical Thinking and problem solving through critical analysis, evaluation, and interpretation of business information.** The students will demonstrate their abilities in critical thinking and problem solving and decision-making abilities by applying economic concepts to the problem/short essay section of homework, quizzes and examinations. Exam items and responses are based on the AACU Critical Thinking Value Rubric.
* **Empirical and Quantitative Skills.** The student will demonstrate their competency in analyzing and interpreting economic data to make informed decisions on economic issues. Exam items and responses are based on the AACU Quantitative Literacy Value Rubric
* **Communication Skills.** The students will demonstrate their abilities in effective and efficient skills in writing by applying economic concepts to the problem/short essay section of homework, quizzes, and examinations. Responses will be evaluated according to the DCOBA custom undergraduate writing rubric, based on the AACU Written Communication Value Rubric.
* **Social Responsibilities.** The students will demonstrate their abilities in intercultural competency, civic knowledge, and the abilities to engage effectively in regional, national, and global economic issues. Exam items and responses are based on the AACU Intercultural Knowledge and Competence Value Rubric.
* **Personal Responsibilities.** The students will demonstrate their abilities in connecting choices, actions, and consequences to economic reasoning and ethical decision-making.

These general learning goals represent or are similar to those established by the

Dillard College of Business Administration. The goals represent the skills that

graduates will carry with them into their careers. While assessing student

performance in obtaining these general learning goals, the College hopes to assess

its programs. The assessments will assist us as we improve our curriculum and

curriculum delivery.

**B. Course Specific Learning Goals:**

* Gain basic ideas behind economic science
* Understand the demand and supply model
* Learn basic roles of government in market
* Understand Macroeconomic measurements
* Understand the effect of inflation, unemployment, business cycles, and growth
* Learn basic concepts of the monetary system
* Understand basic macroeconomic policies, fiscal and monetary policies
* Become aware of open-economy macroeconomics
* Gain basic knowledge of international trade/finance and globalization

**Course Policies:**

**A. Attendance Policy:**

Students are expected to attend all class meetings for this course, following the university attendance policy. (See *Midwestern State University Undergraduate Catalog*, Vol. LXXVIII, No. 1 (2010-2012), p. 78. Each meeting of the class will run as scheduled. So as not to disturb the class, you are not to walk in and out of the classroom during the class hour except for an emergency. The students who fail to meet any of these policies may be dropped from the class with a grade of “F” by the instructor.

**B. Other Related Policies:**

If a student misses a regularly scheduled exam, the student must immediately notify the instructor of his/her intention to schedule a make-up exam and secure the instructor’s approval. A make-up exam consists of five problem/short essay questions is given during the final week. There is no other recourse available for a missed exam in the class. The exam dates are tentative and subject to change. There is absolutely no make-up for missed quizzes.

**Grading and Evaluation:**

Grades will be determined on the basis of the total points earned on three 100-point exams and ten 10-point quizzes. The final exam is available only to those who miss regularly scheduled exam and who has secured the instructor’s approval for a make-up. Letter grades will be given, with only minor adjustments, according to the following scale:

Examination #1 100 points

Examination #2 100 points

Final Examination 100 points

Quizzes 100 points

Total 400 points

A 360 - 400 points (90-100%) D 240 - 279 points (60-69%)

B 320 - 359 points (80-89%) F below 240 points (below 60%)

C 280 - 319 points (70-79%)

The examination will cover the assigned chapters, in-class lectures, and any other

assigned readings. Students are responsible for all assigned textbook material, even if

it is not directly discussed in class. The final comprehensive exam is given during the

final week. Each examination will have the following components:

Definitions 20 points

Problems/Short Essays 20 points

Multiple Choices 60 points

Total 100 points

In addition to the definitions and the problems/short essay questions, the examination

will have 30 multiple choice questions, each worth 2 points. Please bring a Scantron

sheet (Form No. 882-E, 4¼” x 11’) and some #2 pencils for the exam.

You are also required to take ten (10) unannounced quizzes. Each quiz will worth 10

points. The quizzes are based on handouts and at-the-end-of- chapter problems. A

plain calculator, but not a telephone calculator, may be allowed for the exams and

quizzes.

You will be assigned a randomly selected 4-digit ID number for record keeping in this class when Quiz #1 is returned to you. Please record your number for future reference.

Keep all the exams and quizzes until the end of the semester to verify any discrepancy in records. If you happen to be absent on the day the quizzes or exams are returned in the class, you must come to my office to pick them up. The results of your exams and quizzes will be posted periodically.

**Course Content and Outline:**

A. Reading Assignments:

Topic Reading

Introduction to Economics MBF, Ch. 1

1. Mathematical Review MBF, Ch. 1, Appendix

The Market Economy

1. The Market System MBF, Ch. 2
2. Individual Markets: Demand and Supply MBF, Ch. 3
3. Elasticity MBF, Ch. 4
4. Market Failures MBF, Ch. 5

**EXAMINATION #1:**

Macroeconomics

1. Introduction to Macroeconomics MBF, Ch. 6

2. Macroeconomic Measurement GDP MBF, Ch. 7

3. Economic Growth MBF, Ch. 8

4. Business Cycles: Inflation Unemployment MBF, Ch. 9

5. Macroeconomic Model: Keynesian Cross MBF, Ch 10, 11

6. Macroeconomic Model: Agg D and Agg S MBF, Ch. 12

7. Fiscal Policy, Deficits, and Debt MBF, Ch. 13

**EXAMINATION #2:**

Macroeconomics (Continued)

8. Money and Banking MBF, Ch. 14, 15

9. Monetary Policy MBF, Ch. 16

10. Financial Economics MBF, Ch. 17

Macroeconomic Issues and International Economics

1. The Phillips Curve MBF, Ch. 18

2. Current Issues in Macroeconomics MBF, Ch. 19

3. International Economics MBF, Ch. 20, 21

**FINAL COMPREHENSIVE EXAMINATION:**

**Academic Integrity:**

With regard to academic honesty, students are referred to the “Student Honor Creed” on p. 19 of *Midwestern State University Undergraduate Catalog*, Vol. LXXVIII, No. 1 (2010-2012).

**Americans with Disability Act:**

This class follows the guidelines suggested by the Center for Counseling and Disabilities Services for those students who qualify for disability services. Please notify the instructor of your special needs during the first week of classes. See *Midwestern State University Undergraduate Catalog*, Vol. LXXVIII, No. 1 (2010-2012), p. 21.

**Dillard Building Classroom Policy:**

* No food or drink is allowed in the classroom.
* Keep cell phones dormant in the classroom.

**Syllabus Change Policy:**

This syllabus is a guide for the course and is subject to change.

ECON2333, Macroeconomic Principles

Attachment A

Sample Multiple-choice Questions

for the Assessment of Critical Thinking Skills

Criteria: 1. Does the question help the student improve in thinking? (AACU Critical Thinking

VALUE Rubric: Explanation of issues)

2. Does the answer require economic reasoning? (AACU Critical Thinking

VALUE Rubric: Evidence)

3. Doses the answer solve the given problem? (AACU Critical Thinking VALUE

Rubric: Conclusions and related outcome)

Sample Multiple-choice Questions:

1. Ceteris paribus, a decrease in the number of kids who play basketball will cause the equilibrium price of basketballs to:
2. Rise and equilibrium quantity to fall.
3. Fall and equilibrium quantity to fall.
4. Fall and equilibrium quantity to rise.
5. Rise and equilibrium quantity to rise.
6. Remains the same and equilibrium quantity to rise.
7. If the multiplier is 5 and a change in government spending leads to a cumulative $500 billion decrease in aggregate spending in the economy, then initially:
8. Government spending decreased by $500 billion.
9. Taxes increased by $500 billion.
10. Taxes decreased by $100 billion.
11. Government spending decreased by $100billion.
12. Both government spending and taxes increase by $100 billion.
13. Which explanation best describe the feedback effects of an easy money policy? The increase in GDP resulting from the policy will:
14. Decrease the demand for money, and partially offset the interest-reducing effect of the policy.
15. Increase the demand for money, and partially offset the interest-increasing effect of the policy.
16. Increase the demand for money, and partially offset the interest-reducing effect of the policy.
17. Decrease the demand for money, and partially offset the interest-increasing effect of the policy.
18. None of the above.
19. Suppose the United States pursued a contractionary fiscal policy to reduce the level of inflation. The net export effect suggests that next exports would:
20. Decrease, thus decreasing aggregate demand and partially reinforcing the fiscal policy.
21. Decrease, thus increasing aggregate demand and partially reinforcing the fiscal policy.
22. Increase, thus decreasing aggregate demand and partially reinforcing the fiscal policy.
23. Increase, thus increasing aggregate demand and partially reinforcing the fiscal policy.
24. None of the above.

ECON2333, Macroeconomic Principles

Attachment B

Sample Questions for the Assessment of Written Communication Skills

Criteria:

1. Does the question require the understanding of economic reasoning?

2. Can the answer be evaluated based on the DCOBA undergraduate writing Rubric

(Econ2333) (Content/Information, Language, and Grammar/mechanics)?

Problems/Short Essay Questions:

1. Explain in detail two (2) appropriate ways to address each of the following types of externality problems?
2. Noise pollution from a neighbor who insists on mowing his lawn at 6:30 Sunday morning.
3. Overcrowding on a public beach at the Lake Arrowhead.
4. a. Explain in detail the two major differences between a private good and a pure public good using an example.

b. Classify the following according to a private good (PG), a natural monopoly (NM), a

common resource (CR), and a pure public good (PP). (You must choose only one for

each.)

i. A textbook a student buys

ii. National defense

iii. Fish in the ocean (in international territory)

iv. Cable TV

v. Interstate 635 going through North Dallas (not toll way)

1. Suppose you are a member of the Board of Governors of the Federal Reserve System. The

economy is experiencing a deep and prolonged recessionary trend. What changes in

monetary policy using i) the reserve ratio, ii) the discount rate, and iii) open-market

operations would you recommend? Explain how the change you advocate would affect

aggregate demand, and thus the economy. (Trace the cause-effect chain.)

1. Explain in detail how each of the following changes (events) will affect demand (D), supply (S), equilibrium price (pe), and equilibrium quantity (qe) in a competitive market: that is, do demand, supply, equilibrium price and equilibrium quantity rise fall, or remain unchanged, or are the answers indeterminate, depending upon the magnitude of the shifts in demand and supply? In each case, you should rely on a demand and supply diagram to verify your answers.

a. **MARKET** **EVENT**

Corn The price of fertilizer increases.

b. **MARKET** **EVENT**

Beef A dreadful news of the “Mad Cow” disease has sprung up and the

unusual dry weather increases the price of hay bales.

**DCOBA Undergraduate Writing Rubric (ECON2333)**

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| **Criteria/Scale** | **3**  **Exceeds Expectations** | **2**  **Meets Expectations** | **1**  **Needs Improvement** | **0**  **Inadequate** |
| **Content/Information**   * Clarity of purpose * Critical and original thought | * Central idea is well developed and clarity of purpose is exhibited throughout the paper * Abundance of evidence of critical, careful thought and analysis and/or insight | * Central idea and clarity of purpose are generally evident throughout the essay * Evidence of critical, careful thought and analysis and/or insight | * The central idea is expressed though it may be vague or too broad; Some sense of purpose is maintained throughout the essay * Some evidence of critical, careful thought and analysis and/or insight | * Central idea and clarity of purpose are absent or incompletely expressed and maintained * Little or no evidence of critical, careful thought or analysis and/or insight |
| **Language**   * Vocabulary; use of vocabulary | * Vocabulary is sophisticated and correct as are sentences which vary in structure and length * Uses and manipulates subject specific vocabulary for effect | * Vocabulary is varied, specific and appropriate * Frequently uses subject specific vocabulary correctly | * Vocabulary is used properly though sentences may be simple * Infrequently uses subject specific vocabulary correctly | * Vocabulary is unsophisticated, not used properly in very simple sentences * Uses subject specific vocabulary too sparingly |
| **Grammar/mechanics**   * Sentence Structure * Punctuation/   mechanics | * Manipulates complex sentences for effect/impact * No punctuation or mechanical errors | * Uses complex sentences * Few punctuation or mechanical errors | * Uses compound sentences * Too many punctuation and/or mechanical errors | * Uses simple sentences |

ECON2333, Macroeconomic Principles

Attachment C

Sample Multiple-choice Questions

for the Assessment for Empirical and Quantitative Skills

Selection Criteria:

* 1. The question is selected based on one of AACU Quantitative Literacy VALUE Rubric (Interpretation, Representation, Calculation, and/or communication)
  2. Does the answer to the question requires economic reasoning?

Sample Multiple-choice Questions:

1. Assume the U.S. population is 300 million. If the working age population is 240

million, 150 million are employed, and 6 million are unemployed, what is the size of

the labor force?

1. 300 million.
2. 240 million.
3. 156 million.
4. 150 million.
5. 144 million.

2. Real GDP is $9 trillion in the current year and $8.6 trillion in the previous year. The

economic growth rate between these years has been:

1. 10.31 percent.
2. 4.65 percent.
3. 5.67 percent.
4. 7.67 percent.
5. $0.4 trillion.

3. If $200 is saved for 2 years at an interest rate of 5 percent, after two years the sum has

grown to:

1. $210.00.
2. $220.00.
3. $220.50.
4. $240.00.
5. None of the above answers are correct.

4. Since 1854, the NBER has identified:

1. 83 complete business cycles.
2. 34 expansions and 25 recessions.
3. 34 complete business cycles.
4. 25 expansions and 34 recessions.
5. 18 complete business cycles.

ECON2333, Macroeconomic Principles

Attachment D

Sample Multiple-choice Questions

for the Assessment for Social Responsibility

Criteria:

1. Is the question related to national economic issues related to different social groups

(gender, ethnicity, or age)? (AACU Intercultural Knowledge and Competence

VALUE Rubric: Skills-Empathy)

2. Is the question related to the better understanding of the different culture and social

backgrounds? (AACU Intercultural Knowledge and Competence VALUE Rubric:

Attitudes-Openness)

3. Would the question promote the student’s understanding of international or global

issues? (AACU Intercultural Knowledge and Competence VALUE Rubric:

Knowledge-Knowledge of cultural worldview frameworks)

Sample Multiple-choice Questions:

1. In the United States, the highest unemployment rates occur among:

1. White teenagers.
2. Black teenagers.
3. White females aged 20 and over.
4. Black males aged 20 and over.
5. White males aged 20 and over.
6. Which of the following group of people would most likely be hurt by unexpected inflation?

a. The lenders.

b. The borrowers.

c. The government.

d. The variable income earners.

e. The recipients of the Social security benefits with the COLA (cost-of-living

adjustments).

1. The NAFTA has benefited:
2. U.S. and Mexico, but not Canada.
3. U.S. and Canada, but not Mexico.
4. Canada and Mexico, but not U.S.
5. All of the countries involved.
6. None of the countries involved.
7. If a student from Midwestern State University travels to Germany, the money spent on hotels and sight-seeing in Germany is counted as services \_\_\_America and \_\_\_ Germany.
8. Exported to; imported from.
9. Imported from; imported from.
10. Imported from; exported to.
11. Exported to; exported to.
12. Neither exported to nor imported from; imported from.