

UNIVERSITY OF DETROIT MERCY

College of Liberal Arts and Education

Economics 2960—McNichols Campus

Sec. 02

Macroeconomic Principles

Fall, 2015

CRN 10136

11:20 – 12:35 TR

Briggs 202

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Office Hours: 1:00p.m. – 2:30p.m. T,Th

5:00p.m. – 6:00p.m. Mon

and

by appointment

Text: Macroeconomics: Principles and Policy, Baumol and Blinder, Cengage Learning, 13th Edition

Catalog Description:

ECN 2960

Macroeconomic Principles

3 credit hours

Study of the scope and method of economics. Course topics include: measures and determinants of the level of aggregate income and demand, inflation, employment, economic development; monetary institutions and money supply, monetary policy; taxes, government borrowing; expenditures, fiscal policy, international trade and alternative systems of economic organization.

Content and Purpose

Macroeconomics refers to that portion of economic analysis which is concerned with the behavior of economy-wide issues, e.g. inflation, unemployment, recessions, etc. By means of theoretical reasoning and empirical research, economists have identified a number of relationships or “principles” which are useful in explaining and predicting macroeconomic behavior. This course will deal with the basic principles of modern macroeconomics, their application to an understanding of economic problems past and present, and their implications for future economic policy.

The purpose of the Principles sequence (ECN 2950 and ECN 2960) is two-fold:

1. The principal purpose is to provide the student with the level of economic literacy essential for well-informed citizenship in the years ahead, as society grapples with a myriad of economic problems and policy choices to address those problems.
2. A secondary purpose is to prepare the student for further courses in the discipline of Economics. Upper division coursework in Economics requires prior completion of ECN 2950 and 2960.

Learning Outcomes

Students successfully completing this course

1. will be able to identify major economic concepts and theories and their application
2. will be able to recognize how scientific methodology is used to study both personal and public economic behavior
3. will be able to demonstrate how macroeconomics can be used to analyze economic issues
4. will be able to recognize the relationship between economics and other disciplines
5. will be able to evaluate economic policy proposals, including differentiating between normative and positive aspects of the proposals

Available Support Services

The University of Detroit Mercy has a wide array of support services available to all students that include the library, media center, tutoring (Student Success Center, 3rd Floor of Library) and Writing Center (Briggs 135). The UDM Student Handbook contains complete information regarding location and hours of operation of the University's support services. Students are encouraged to utilize the support services provided by the University, as needed.

UDM Policy on Plagiarism and Academic Integrity

As members of an academic community engaged in the pursuit of truth and with a special concern for values, students are expected to conform to a high standard of honesty and integrity in their academic work. The fundamental assumption under which the University operates is that work submitted by a student is a product of his/her own efforts.

Among the most serious academic offenses is plagiarism, submitting the style of another author or source without acknowledgment or formal documentation. Plagiarism occurs when specific phrases or entire passages, whether a sentence, paragraph or longer excerpt, are incorporated into one's own writing without quotation marks or documentation. One also plagiarizes by paraphrasing the work of another, that is, retaining another writer's ideas and structure without documentation.

Students are advised always to set off another writer's exact words by quotation marks, with appropriate references. Students avoid plagiarism by concentrating on their own words and ideas and by fully crediting others' words and ideas when they find their way into the writing. Whenever in doubt, cite the source.

Students that purchase essays from other students or agencies or who copy from one another or from prohibited sources, commit the most serious type of academic dishonesty. The consequences of plagiarism, or any act of academic dishonesty, may range from failure on an assignment or in a course to dismissal from the University.

Disability Support Services and Accommodations

It is very important for students to be proactive with regard to requesting disability accommodations. While it is never required that you disclose your disability to your professors, all students at UDM are encouraged to talk to their professors to discuss their concerns. Faculty cannot provide disability accommodations without official notification from the Disability Support Services office. If you need an accommodation because of a disability, if you have emergency medical information to share, or if you need special arrangements in case the building must be evacuated, please contact Emilie Wetherington as soon as possible to schedule an appointment (gallegem@udmercy.edu or (313) 578-0310). Disability Support Services is located in the Student Success Center, Room 319, on the 3rd Floor of the Library, McNichols Campus.

Compliance with UDM Student-Related Policies

Students of the University of Detroit Mercy are expected to comply with all policies and practices established by the College and/or University. A complete listing of all UDM policies can be found in the UDM Student Handbook, and students are expected to be familiar with all UDM student-related policies.

Student Course Evaluations

Student course evaluations are an important source of information for curricular and teaching improvement in the College of Liberal Arts and Education. As such, all students enrolled in CLAE courses are strongly encouraged to complete an online course evaluation. Course evaluations are completed during the two weeks prior to the deadline for faculty to submit final grades each semester. Information is provided to students through email explaining how to complete the evaluation online.

Add-Drop Policy

The University of Detroit Mercy allows students to miss up to a week of class and sign themselves in to a class with open seats without an instructor's permission. However, adding a course late **does not** exempt students from any assigned work or deadlines stated in the syllabus given on the first day of class. Under this new process, students are responsible for obtaining the syllabus, meeting with the instructor, and obtaining any missed material delivered prior to registration and attendance for the course.

If an instructor does not accept late work at all, or imposes penalties for late work, **those policies will stand regardless of when a student adds a course.** This includes reading assignments, writing assignments, quizzes, and other homework or projects that might be assigned during the first week of classes.

The instructor is entitled to count the first week of missed classes as unexcused absences or in accordance with whatever attendance policy is stated in the syllabus.

The student is responsible for all course material **from the day that classes begin**, no matter when the course is added. The instructor does not have a special responsibility to help students "catch up" in a course they have added late, beyond providing the syllabus itself.

Electronic Devices in Class

Electronic devices – cell phones, iPads, etc. – are a distraction to both the instructor as well as to the other students in the class. **IT WOULD BE APPRECIATED IF ALL SUCH DEVICES ARE TURNED OFF DURING CLASS.** If you wish to use a laptop to take notes, please contact the instructor.

Attendance

Attendance on a regular basis is essential to success in this class. There will be material discussed in class which is not treated in the text and class participation is expected of all students. There will be a sign-in sheet distributed each class period to track attendance.

Assignments

An outline of the course and a course assignment schedule appear later in this syllabus. Students are expected to have completed the assigned reading prior to class. From time to time, problem exercises will be distributed as homework; students are expected to discuss solutions in class. Also, review questions will periodically be provided to guide students to the most salient parts of certain chapters; students are expected to discuss the answers to these questions in class.

Examinations

There will be a total of three exams given during the term, two mid-terms and a final. Each exam will cover approximately one-third of the course material and each will be announced at least one week in advance. Due to the nature of the course, the exams will contain a number of objective questions; however, each exam will also contain some essay questions and/or problems. In addition, there will also be two take-home quizzes during the term. They will follow the same format as the exams, with objective questions as well as essay questions and/or problems.

Grading

Your grade for the course will be based upon your performance on quizzes and exams as well as your performance in class. Quizzes will account for 20% of your grade; exams will account for 70% of your grade, while performance in class will account for 10%. Your score for performance in class will be based upon attendance as well as the quantity and quality of class participation.

* The grading scale used will be:

90 - 100	A
80 - 89	B
70 - 79	C
63 - 69	D
0 - 62	F

*At the discretion of the instructor, and depending upon class performance, a grading curve may be used in place of the above.

Outline of Course

Unit 1 Introduction to Macroeconomics Ch. 5-6

- A. Methodology of Economics: models, theories and empirical research
- B. Scope of Macroeconomics: aggregation, GDP, macroeconomic history
- C. Goals of Macroeconomic Policy: growth, full employment, stable prices

Unit 2 Foundations of Aggregate Demand and Supply Ch. 8-10

- A. Components of Aggregate Demand: Consumption, Investment, Net exports
- B. Income-Expenditure Model: theory, multiplier analysis, applications
- C. Aggregate Supply: determinants, applications, implications for policy

Unit 3 Stabilization Policy Ch. 11-14

- A. Fiscal Policy: policy multipliers, automatic stabilizers, challenges
- B. Money and the Financial System: features, measures, regulation
- C. Monetary Policy: Federal Reserve, policy instruments, outcomes
- D. Stabilization Policy during the Great Recession (and after)

Unit 4 Additional Macroeconomic Topics Ch. 15-16

- A. The Quantity Theory of Money: Old and New
- B. Issues in Monetary and Fiscal Policy: time lags, policy rules
- C. Budget Deficits/National Debt: history, analysis, structural deficit

Unit 5 International Economics Ch. 18-19

- A. International Trade: comparative advantage, specialization, tariffs
- B. International Monetary System: exchange rates and their determinants

Course Schedule What follows is a tentative schedule of topics to be covered, as well as exams and quizzes. As with all other parts of this syllabus, the instructor reserves the right to modify the schedule if necessary.

9/1	Introduction to Macroeconomics	Ch. 5
9/3	Macroeconomic history of U.S.	Ch. 5
9/8	Goals of Macroeconomic policy	Ch. 6
9/10	Analysis of unemployment, inflation	Ch. 6
9/15	Aggregate Demand: Consumption	Ch. 8
9/17	Investment; Net Exports	Ch. 8
9/22	Income Expenditure Model	Ch. 9
	Quiz # 1	
9/24	Multiplier Analysis	Ch. 9
9/29	Aggregate Supply	Ch. 10
10/1	Implications for Policy	Ch. 10
10/6	Exam # 1	
10/8	Introduction to Fiscal Policy	Ch. 11
10/13	Fall Break	
10/15	Fiscal policy multipliers	Ch. 11
10/20	Money: Definition and Measurement	Ch. 12
10/22	Banks and the Financial System	Ch. 12
10/27	The Federal Reserve System	Ch. 13
10/29	Open Market Operations	Ch. 13
	Quiz # 2	
11/3	Other Instruments of the Fed	Ch. 13
11/5	The Great Recession: Causes	Ch. 14
11/10	Fiscal and Monetary Response	Ch. 14
11/12	Exam # 2	
11/17	Advanced topics in Monetary Policy	Ch. 15
11/19	Advanced topics in Fiscal Policy	Ch. 15

11/24	The National Debt: Fact vs, Fiction	Ch. 16
11/26	Thanksgiving	
12/1	Budget Deficits: Good or Bad	Ch. 16
12/3	International Trade: Analysis	Ch. 18
12/8	International Trade: Policy	Ch. 18
12/10	International Finance and Exchange rate determination	Ch. 19
12/15	Exam # 3 (note: exam is scheduled at 11:00 a.m. – 12:50 p.m.)	