

Syllabus

Department of Economics
EC132
Spring 1998

A. Laramie
Principles of Macroeconomics
Office: Carney 142

Office Hours: Tuesday and Thursday 10:30 - 11:30;
Phone ext.: 2-3682; e-mail: Alaramie@merrimack.edu

Required Reading: Richard Tresch, Principles of Economics, West Publishing Company.

Course Objective: The purpose of this course is to get you to think critically about how the economy works and how government policy affects the workings of the economy. In particular, national economic issues, economic growth, unemployment, inflation, and international economic relationships are discussed. In this course, different perspectives for analyzing the performance of a market economy are developed. By the end of the course, you should be able to think critically as to how well our economy works and understand the circumstances under which various types of government policies are appropriate. To accomplish these objectives, you will learn about the research methods of economists.

Course Outline

- I. Introduction
 - A. The origin of macroeconomics
 - B. Macroeconomic policy goals
 - C. National income accounting
 - D. Macroeconomic (Classical and Keynesian) Perspectives
- II. The Basic Elements of Macroeconomic Theory
 - A. The simple Keynesian Income Determination Model
 - B. The multiplier, fiscal policy and unemployment
 - C. Fiscal Policy
 - D. The automatic stabilizers, net exports and the budget deficit
- III. Money and Monetary Policy
 - A. Principles of Money and Banking
 - B. The Monetary System of the United States
 - C. Monetary Policy
 - D. Fiscal and Monetary Policy together
- IV. A unified approach: Aggregate Demand and Supply

Grading: Grading will be based upon three semester exams and a final exam. The final exam will be cumulative. The lowest semester grade will be dropped from the final average. Your final average grade will be based on the two semester exams with the highest scores (each weighted 30%) and the final exam (weighted 40%).

Tentative Assignment Schedule:

1/13 Introduction

1/15 Chapter 25
1/20 Chapter 26
1/22 Chapter 27
1/27 Chapter 27 continued, questions 2, 7 and 8
1/29 Chapter 28
2/3 Chapter 28 continued, questions 5, 7 and 9
2/5 Open
2/10 Exam 1, Chapters 25 - 28
2/12 Chapter 29
2/17 Chapter 29 continued and Appendix
2/19 Chapter 29, questions 10 and at the end of the appendix
2/24 Chapter 30
2/26 Chapter 30 continued
3/3 Mid-term break
3/5 Mid-term break
3/10 Review/Appendix Chapter 30
3/12 Chapter 30, questions 5, 7 and at the end of the appendix
3/17 Chapter 31
3/19 Open
3/24 Exam 2, Chapters 29 - 31
3/26 Chapter 33
3/31 Chapters 33 and 34
4/2 Chapter 35
4/7 Chapter 35 continued
4/9 No classes
4/14 Open
4/16 Exam 3, Chapters 33, 34 and 35
4/21 Chapter 36
4/23 Chapter 37
4/28 Chapter 37 continued

Final Exam as is scheduled