

JOHN CARROLL UNIVERSITY
Department of Economics and Finance

Economics 202
Summer II 2013
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Principles of Macroeconomics
Dr. Andrew Welki
SB 204 397-4550

Course Objectives

This course is designed to firmly ground the student with the basic concepts of macroeconomic theory, particularly as they relate to a market economy in a global setting. The student will understand the circular flow, measurement aspects of macroeconomic conditions, the components of economic activity, monetary and fiscal policy as they affect the behavior of macroeconomic variables, and the interrelationship between the domestic economy and the world economy. In addition, students will develop an awareness of how these macroeconomic conditions affect their lives as consumers, entrepreneurs, and business professionals.

Course Information and Requirements

TEXTBOOK: Mankiw, N. Gregory, Brief Principles of Macroeconomics. 6th Edition. Thomson-South-Western: USA 2012.

GRADE DETERMINATION:

YOUR performance, measured in the following areas, will determine your grade in this course. Listed below are the components and their relative importance.

Exams	400 points
Problem Sets	300 points
Final Exam	300 points

EXAMS: There will be many short exams (approximately 12 multiple choice questions), usually after the conclusion of a chapter.

PROBLEM SETS: The problem sets will consist of a variety of styles of conceptual and mathematical problems designed to help each student master important concepts and understand their applicability to the real world.

FINAL EXAM: The final exam will take place at the prescribed time using a format to be announced.

John Carroll University recognizes its responsibility for creating an institutional climate in which students with disabilities can succeed. In accordance with University policy, if you have a documented disability, you may be eligible to request accommodations from the office of Services for Students with Disabilities. Students with disabilities are entitled to reasonable accommodations and should have equal access to learning. Please contact the office for Students with Disabilities at (216) 397- 4967 if you have any questions or to set up an appointment to meet its coordinator. After your eligibility for accommodations is determined, you will be given a letter which, when presented to instructors, will help us know how best to assist you. Please keep in mind that **accommodations are not retroactive** so it is best to register with Student Disability Services at your earliest convenience.

Cheating will not be tolerated under any circumstances (homeworks, quizzes, tests, etc.). Anyone caught cheating will be punished as severely as possible in accordance with the guidelines specified in the Student Handbook.

READING OUTLINE

1. WEEK ONE

JUNE 17-21

Modules 1-2	Ten Principles of Economics Personal Decision-making and Interactions How the Economy works
Module 3	Interdependence Gains from Trade Comparative Advantage
Module 4	Market forces Supply and demand
Module 5	Income and Expenditures GDP, real and nominal The cost of living, CPI

2. WEEK 2

JUNE 24 – JUNE 28

Module 6	Productivity and Growth Production functions Human capital
Module 7	Financial institutions Market for loanable funds Time value of money

Module 8	Unemployment Types of unemployment The natural rate of unemployment
3. WEEK 3	JULY 1 - 5
Module 9	U.S. Monetary system The FED Banks and the money supply
Module 10	Inflation The Quantity Theory of Money Costs of inflation
4. WEEK 4	JULY 8 - 12
Module 11	Open economy macroeconomics International flows Foreign exchange markets
Module 12	Aggregate supply and aggregate demand How and why?
5. WEEK 5	JULY 15 - 19
Module 13	Monetary and Fiscal policy Effects on aggregate demand Stabilizing policy
Module 14	Inflation vs. Unemployment tradeoffs Macro policy debates

FINAL EXAMINATION: THURSDAY JULY 18, 2013