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Office Hours: MW 11:45am-12:30pm, MW 1:30pm-2:30pm

### **Econ 202 Economic Principles II (Principles of Macroeconomics)**

Spring 2014, Corboy Law Center, Room 321

**Catalog Description:** This course is an introduction to national product, its components, money and the real sectors and business fluctuations.

**Course Overview:** The goals of the course are to make the student familiar with key economic data, to teach you to use macroeconomic theory to interpret macro data, and to give you an understanding of how monetary and fiscal policy influences and responds to economic activity. You will learn the framework that many economists in business and government use in trying to make sense of the economy. The topics discussed are the everyday news of the financial pages: real GDP, employment, exchange rates, interest rates, stock market, wages etc. and what's Bernanke going to do, what will be the effects of tax cuts... it's a "big picture course". It is also a "tools course" which we'll learn to use by thinking about historical and current events.

**Outcome:** The students will learn to think critically about the economic environment of the nation and to measure growth, unemployment, inflation, fiscal and monetary policies of the government, and begin to understand economic stability and the welfare of the individual citizen. The students begin to understand and critically analyze business cycles, financial market fluctuations, and to study inflation and unemployment policies.

#### **Course Objectives and Learning Outcomes**

1. Begin to understand the key macroeconomic indicators.
2. Begin to understand the standard macroeconomic framework used by most government, academic and business economists
3. Begin to understand how to use the standard macroeconomic framework to interpret macroeconomics data and understand the competing narratives about the current and possible future economic outlooks.

#### **Required Materials:**

1. **BUNDLE** of **APLIA** and **Brief Principles of Macroeconomics**, 7<sup>th</sup> ed. by N. Gregory Mankiw
2. Course materials are available on Blackboard under ANNOUNCEMENTS.

**Aplia** is an online learning tool geared toward enhancing understanding of macroeconomic theory. Aplia assignments will make up 25% of the students grade.

**Additional recommended reading:** In addition to the reading in Mankiw, keeping up with the latest economic data should make the course more interesting. For economic news have a look at the Wall Street Journal or the Economist magazine. For a sample of economic commentary and analysis see CNBC.

**Exams:** Three exams will be given throughout the semester. The exam format is 30% multiple-choice and 70% written/computational. The 70% written/computational will come from a posted set of questions. Please see exam dates on page 3 and the makeup examination policy below.

**Grades:** Will be determined in the following manner,

**25%** of grade from Aplaia (overall percent in Aplaia Assignments times 100)

**75%** of grade from 3 Exams (300 points=3 exams @100)

**100% = 400 points**

**Grading Scale:** 90-100=A, 85-89=A-, 80-84=B+, 75-79=B, 70-74=B-, 65-69=C+, 60-64=C, 55-59=C-, 50-54=D+, 45-49=D, 0-44=F.

**Extra Credit:** If you do better on exam 2 than on exam 1, then **half** of the improvement in exam 2 (exam 2 score – 1st exam score) will be added to your exam 1 score. If you do better on the exam 3 than on exam 2, then **half** of the improvement in your final exam score (final exam score – exam 2 score) will be added to your exam 2 score.

#### **Quinlan School of Business Policies:**

**Attendance:** Class attendance and participation are fundamental components of learning, so punctual attendance at all classes, for the full class meeting period, is expected of Quinlan students. Faculty may set participation policies unique to their courses and use class participation as a component of the final grade. The student is responsible for any assignments or requirements missed during an absence.

**Random attendance will be taken during the semester.**

**Make-Up Examinations:** Loyola University academic policy provides that tests or examinations may be given during the semester or summer sessions as often as deemed advisable by the instructor. Because Quinlan faculty believe examinations represent a critical component of student learning, required examinations should be taken during the regularly scheduled class period. **Make-up examinations are discouraged.** Exceptions may be granted only by the faculty member or department chair, and only for unavoidable circumstances (illness verified by a signed physician's note, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, or religious observance). A make-up final examination may be scheduled only with the permission of the appropriate Quinlan Assistant or Associate Dean.

If a make-up examination must be given, it is the responsibility of the faculty member to prepare, schedule, and proctor the exam. The only regular exception is for a student athlete, who may use the testing services of the Athletics Department to complete a make-up examination. For a student with a documented special testing need, please consult University policy concerning use of the testing center in Sullivan Center at Lake Shore Campus.

**NOTE: Make-up exams will not be given after exams have been passed back to the students.**

**Academic Integrity:** All members of the Quinlan School shall refrain from academic dishonesty and misconduct in all forms, including plagiarism, cheating, misrepresentation, fabrication, and falsehood...Plagiarism or cheating on the part of the student in individual or group academic work or in examination behavior will result minimally in the instructor assigning the grade of "F" for the assignment

or examination. In addition, all instances of academic dishonesty must be reported to the chairperson of the department involved.

For further information about expectations for academic integrity and sanctions for violations, consult the complete Quinlan School of Business Honor Code and Statement of Academic Integrity on the Quinlan website:

<http://www.luc.edu/media/lucedu/quinlanschoolofbusiness/pdfs/Honor-Code-Quinlan-July2012.pdf>

### **Proposed Course Outline**

#### **See Chapter Titles**

Chapter 1 Ten Principles of Economics  
Chapter 2 Thinking like an economist  
Chapter 4 Forces of Supply and Demand  
Chapter 5 Measuring a Nations Income  
Chapter 6 Measuring the Cost of Living  
Chapter 7 Production and Growth

#### **EXAM 1, February 14<sup>th</sup>, Friday**

Chapter 8 Saving, Investment, and the Financial System  
Chapter 9 Tools of Finance  
Chapter 10 Unemployment  
Chapter 11 The Monetary System  
Chapter 12 Money Growth and Inflation

#### **EXAM 2, March 28<sup>th</sup>, Friday**

Chapter 13 Open –Economy Macroeconomics: Basic Concepts  
Chapter 14 A Macroeconomic Theory of the Open Economy  
Chapter 15 Aggregate Demand-Aggregate Supply  
Chapter 17 The Tradeoff between Inflation and Unemployment

**EXAM 3 (noncomprehensive/noncumulative), TBD, See Announcements in blackboard**