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Office Hours: 10.30 a.m. – 12.00 MWF or by
appointment.

Economics 202 – Section 103: Principles of Macroeconomics. Spring 2014.
13.40 – 14.30 MWF. Corboy Law Center Room 322.

Description of Econ 202: Principles of Macroeconomics

Requirement: ANTH 100, PLSC 102, PSYC 100 or SOCL 101 for students admitted to Loyola University for Fall 2012 or later. No requirement for students admitted to Loyola prior to Fall 2012 or those with a declared major or minor in the Department of Anthropology, Department of Criminal Justice, Department of Economics, Department of Psychology, Department of Political Science, the Department of Sociology, Human Services or the School of Nursing.

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

Outcome: The students will be able to think critically about the economic environment of the nation and to measure growth, unemployment, inflation, fiscal and monetary policies of the government, to ultimately understand economic stability and the welfare of the individual citizen.

Course description: This course is designed to introduce you to the subject of economics and to present a descriptive and theoretical analysis of the American economy. This course will describe major economic policy problems confronting the U.S. economy today including the growing international economic dimension of U.S. economic activity. The course will also include an introduction to the issues of saving, financial markets, stock markets, and important concepts in personal finance. A major focus of this course will be a detailed description of the principal macroeconomic policymakers in the United States and their interrelationships. The course will also introduce the basic theoretical tools with which an analysis of various macroeconomic policy issues can be undertaken. The course should make you a more intelligent and sophisticated analyst of economic issues and problems and, therefore, a better informed voter, employee, business owner, and consumer.

Course Objectives: Successful work in this course will enable you to do several things. Among the most important are:

1. Explain the nature of economics and the types of issues and problems that comprise macroeconomics.
2. Understand the concept of Opportunity Cost and use it to analyze economic decision making.
3. Use demand-supply analysis to explain how markets function.
4. Explain the basic macroeconomic statistics; Gross Domestic Product (GDP), the Consumer Price Index (CPI), and the unemployment rate.
5. Explain the methods and objectives of monetary and fiscal policy.
6. Describe the principal macroeconomic policymakers in the United States and the components of macroeconomic policy for which they are responsible.
7. Understand the functions of financial and stock markets in the United States. This should help make you a more intelligent participant in the markets for stocks, bonds, and mutual funds.
8. Describe the nature and content of the international flows of goods, services, and financial assets between the United States and the rest of the world. The entire course will be conducted with an emphasis on the international effects of U.S. macroeconomic activity and macroeconomic policies.

Required Materials

Text: “Macroeconomics” 3rd edition. Paul Krugman and Robin Wells. Worth Publishers. 2012. ISBN# 9781464133749. The textbook is available in the Loyola University Bookstore – Water Tower Campus.

Suggested Supplementary Resources (if any)

“Study Guide to Accompany Macroeconomics” 3rd edition. Worth Publishers 2013.
The Study Guide will also be available in the Water Tower Campus Bookstore.
Software: www.worthpublishers.com/krugmanwells

Course Requirements and Grading Criteria

Grading System/Policy

The course grade will be determined by four (4) exams and each exam will contain 40 multiple choice questions. Students may drop their lowest grade and count the second lowest grade twice. The final must be taken by everyone and will count in the grade determination. All exams are comprehensive. All students are expected to adhere to the university standards for honesty and integrity.

Course Grading Scale

A	148-160 points
A-	144-147
B+	141-143
B	136-140
B-	128-135
C+	123-127
C	116-122
C-	112-115
D+	107-111
D	96-106
F	95 and below

Loyola University Grading Scale and Weights

A	4.00
A-	3.67
B+	3.33
B	3.00
B-	2.67
C+	2.33

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.

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.

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>

Class by Class/Week by Week Course Outline

Topic and Assignment Reading. All Readings are in the Krugman/Wells Textbook.

Part I. An Introduction to Economics and Macroeconomics.

Weeks 1, 2, and 3. January 13 – January 31.

Readings. Chapter 1. First Principles. Pages 1 -24.

Chapter 2. Economic Models: Trade-offs and Trade. Pages 25 – 64.

Exam 1.

Part II. Macroeconomic Data. Tracking the Economy.

Weeks, 4, 5, and 6. February 3 – February 24.

Readings. Chapter 6. Macroeconomics: The Big Picture. Pages 165 – 186.

Chapter 7. Tracking the Macroeconomy. Pages 187 – 212.

Chapter 8. Unemployment and Inflation. Pages 213 – 240.

Exam 2.

Part III. Income, Saving, Investment and the Financial System.

Weeks 7, 8, and 9. February 28 – March 28.

Readings. Chapter 10. Savings, Investment Spending, and the Financial System.

Pages 275 – 310.

Chapter 11. Income and Expenditure. Pages 311 – 338.

Chapter 12. Aggregate Demand and Aggregate Supply. Pages 341 – 376.

Exam 3.

Part IV. Macroeconomic Stabilization Policy.

Weeks, 10, 11, 12, and 13. March 31 – April 30.

Readings. Chapter 13. Fiscal Policy. Pages 377 – 410.

Chapter 14. Money, Banking, and the Federal Reserve System.

Pages 411 -446

Chapter 15. Monetary Policy. Pages 447 – 474.

Exam 4. Final Exam

Final Exam Month/Day 5 May 2014. 13.00 – 15.00

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Please note: This class may occasionally deviate from the course outline above.
The instructor reserves the right to make changes as needed to the course syllabus.