

SEATTLE UNIVERSITY
Albers School of Business and Economics

ECON 2130 - Principles of Macroeconomics

Fall Quarter, 2019

Tuesday/Thursday, 1:30-3:35pm, P304

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Office Hours:
M/W, 8:30 – 10:30am
and by appointment

Content:

ECON 2130, Principles of Macroeconomics, focuses on economic activity at the societal and international level. It is concerned with inflation, output growth and stability, unemployment, and international economic relations. Naturally, discussion of these topics leads to questions of social justice and to consideration of appropriate governmental policy actions. These questions represent a considerable portion of public discussion and debate. This class is designed to help students become engaged citizens by developing a framework through which they can understand and participate in such public discourse.

Text:

Karl Case and Ray Fair, *Principles of Macroeconomics*, eighth edition, Prentice Hall, 2007.
Copies of previous course examinations will be available at SuperCopy

Grading:

The student will be graded on the basis of his/her performance on two midterm examinations (20 and 35% respectively), classroom and homework assignments (10%), and a COMPREHENSIVE final exam (35%). All assignments and exams will be graded on a curve.

Attendance: Attendance is required for this class. Failure to attend class will result in a lower course grade.

Homework: Homework assignments will be collected at the beginning of class on the date assigned. Late homework will not be accepted.

Makeups: No makeup exams will be given. If an exam is missed and the absence excused, the weight of that exam will be added to the final exam. If a student cannot take the regularly scheduled final exam he/she should take the course during a different quarter.

Academic Resources

- Library and Learning Commons (<http://www.seattleu.edu/learningcommons/>)
(This includes: Learning Assistance Programs, Research [Library] Services, Writing Center, Math Lab)
- Academic Integrity Tutorial (found on Canvas and SU Online)

Academic Policies on Registrar website

(<https://www.seattleu.edu/redhawk-axis/academic-policies/>)

- Academic Integrity Policy
- Academic Grading Grievance Policy
- Professional Conduct Policy (only for those professional programs to which it applies)

Notice for students concerning Disabilities

If you have, or think you may have, a disability (including an 'invisible disability' such as a learning disability, a chronic health problem, or a mental health condition) that interferes with your performance as a student in this class, you are encouraged to arrange support services and/or accommodations through Disabilities Services staff located in **Loyola 100, (206) 296-5740**. Disability-based adjustments to course expectations can be arranged only through this process.

Notice Regarding Religious Accommodations

It is the policy of Seattle University to reasonably accommodate students who, due to the observance of religious holidays, expect to be absent or endure a significant hardship during certain days of their academic course or program. Please see, *Policy on Religious Accommodations for Students* (<https://www.seattleu.edu/media/policies/Policy-on-Religious-Accommodations-for-Students---FINAL.PDF>).

Office of Institutional Equity

Title IX of the Education Amendments of 1972 (Title IX) prohibits discrimination based on sex in educational programs or activities that receive Federal financial assistance. This prohibition includes sexual misconduct, which encompasses sexual harassment and sexual violence. Seattle U remains committed to providing a safe and equitable learning, living, and working environment. Seattle U offers emergency, medical, and other support resources, as well as assistance with safety and support measures, to community members who have experienced or been impacted by sexual misconduct.

Seattle U requires all faculty and staff to notify the University's Title IX Coordinator if they become aware of any incident of sexual misconduct experienced by a student.

For more information, please visit <https://www.seattleu.edu/equity/>. If you have any questions or concerns, you may also directly contact the Title IX Coordinator in the Office of Institutional Equity (email: oi@seattleu.edu; phone: 206.296.2824) University Resources and Policies

ECON 2130, Principles of Macroeconomics, Fall, 2019

Schedule*:

09/26: Introduction: What is Economics? What is Macroeconomics?

Outline/Overview of the course

Topics: GDP/Inflation/Unemployment/Stabilization Policy

Historical Overview

10/01-10/03: Scarcity and Choice

PPF

Opportunity Costs, Law of Increasing Costs

Efficiency

Market Prices and Opportunity Costs

Neo-Classical Prejudices Toward Growth at the Expense of the Environment

Reading: Case and Fair, Chapter 2, 18

10/08-10/10: Supply and Demand—Markets and Prices

Supply/Demand/Equilibrium

Exchange Rate Determination

Reading: Case and Fair, Chapter 3, 4, 21

10/15-10/17: The Realm of Macroeconomics: Unemployment/Inflation

GNP/GDP

Business Cycles

Unemployment Statistics

Full Employment

Measuring Inflation

Real vs. Nominal Interest Rates

Reading: Case and Fair, Chapter 5, 6, 7

10/22: First Midterm Examination

10/24-10/29: Aggregate Expenditure and Equilibrium Output

Circular Flow: Spending, Production, Income

Consumption Function

Saving Function

Planned Investment

Reading: Case and Fair, Chapter 8

10/31: Fiscal Policy

Government Spending

Taxes

Net Exports

Multiplier Analysis

Reading: Case and Fair, Chapter 9

11/05-11/07: Money and the Banking System & Monetary Policy
Money and Money Creation
Banking Regulations
FED: OMO/Discount Rate/Reserve Requirement
Reading: Case and Fair, Chapter 10, 11, 12

11/12: Aggregate Demand and Aggregate Supply
SR and LR Aggregate Supply
Monetary and Fiscal Policy
Productivity
Reading: Case and Fair, Chapter 13

11/14: AD and AS: alternatives and implications
Labor Market
Phillips Curve
Productivity
Reading: Case and Fair, Chapter 14

11/19: Second Midterm Examination

11/21-11/26: Budget Deficits and the National Debt
Interest rates/Crowding Out
Distribution Effects
Budget Deficit/Trade Deficit
Political Business Cycles
Reading: Case and Fair, Chapter 10, 15

12/03-12/05: Macroeconomics in a World Economy
Exchange Rates
Fiscal & Monetary Policy
Reading: Case and Fair, Chapter 21

Final Examination:

Monday, 12/09/2019, 12:00-1:50pm