# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT DIVISION OF BUSINESS AND COMPUTER SCIENCE

## COURSE SYLLABUS Spring 2016

**Course Number:** ECON 2301

Course Title: PRINCIPLES OF MACROECONOMICS

**Course Description:** An analysis of the economy as a whole, including measurement and determination of aggregate demand and aggregate supply, national income, inflation, and unemployment. Other topics include international trade, economic growth, business cycles, fiscal policy, and monetary policy.

Course Credit Hours: 3 Lecture Hours: 3

Assessments: Placement in ENGL 1301; College-Level Reading

**State-mandated Student Learning Outcomes:** Upon successful completion of this course, students will be able to:

- 1. Explain the role of scarcity, specialization, opportunity cost, and cost/benefit analysis in economic decision-making.
- 2. Identify the determinants of supply and demand; demonstrate the impact of shifts in both market supply and demand curves on equilibrium price and output.
- 3. Define and measure national income and rates of unemployment and inflation.
- 4. Identify the phases of the business cycle and the problems caused by cyclical fluctuations in the market economy.
- 5. Define money and the money supply; describe the process of money creation by the banking system and the role of the central bank.
- 6. Construct the aggregate demand and aggregate supply model of the macro economy and use it to illustrate macroeconomic problems and potential monetary and fiscal policy solutions.
- 7. Explain the mechanics and institutions of international trade and their impact on the macro economy.
- 8. Define economic growth and identify sources of economic growth.

Withdrawal Policy: Students are advised to withdraw from the course if they have not completed the required work by the "Last Day to Withdraw." Students who do not complete all of the required work by the end of the course will receive a letter grade based on the work completed. There will be no grades of "incomplete" given. Note that the professor cannot withdraw you from class. You must complete a drop form with Admissions and Records to formally withdraw. The last day to withdraw this semester is March 18, 2015.

Collin College Academic Policies: Any situation in which cheating or other unethical activity is suspected will be brought to the attention of the Dean of Students for adjudication and disposition. Do your own work. The penalty for scholastic dishonesty is normally a grade of zero on the work in question. See the current Collin Student Handbook for additional information.

**Religious Holy Days:** Please refer to the current *Collin Student Handbook*.

**Americans with Disabilities Act:** Collin College will adhere to all applicable federal, state, and local laws, regulations, and guidelines with respect to providing reasonable accommodations as required to afford equal opportunity. It is the student's responsibility to contact the ACCESS office, SCC-D140 or 972.881.5898

(V/TTD: 972.881.5950) to arrange for appropriate accommodations. See the current *Collin Student Handbook* for additional information.

#### **Instructor's Information:**

**Professor:** Tom Hudgins

Office: Spring Creek Campus, Room D109

**Office Hours:** MW 11:00-1:00; TR 2:15-3:15

**Office Phone:** 972-516-5060

E-mail: thudgins@collin.edu

**Class Information:** ECON 2301.S07 TR 10:00-11:15 Room J209

ECON 2301.S08 TR 11:30-12:45 Room J209 ECON 2301.S09 TR 1:00-2:15 Room J209

**Course Resources:** Required textbook is Roger L. Miller, *Economics Today*, 18<sup>th</sup> edition (with MyEconLab). (Note: students who use another textbook must still pay for access to MyEconLab in order to complete the assigned quizzes and exercises). Your course ID is: hudgins37847

**Attendance Policy:** You are expected to attend class and participate.

**Method of Evaluation:** Your course grade will be based on the following:

Exam 1	27%
Exam 2	27%
Exam 3	27%
Quizzes	10%
Exercise	9%
TOTAL	100%

**Notes:** (1) Exams will consist of definitions, short essay questions and critical thinking questions. Specific dates for exams will be announced in advance, and a study guide will be provided.

- (2) Quizzes are short assignments to assess your knowledge of economic terms and concepts. *Quizzes* will be available on MyEconLab.
- (3) There will be one exercise on Personal Economics
- (3) Notice that there is no "extra work" possible in this course. Do your best work the first time.

Class Rules: (1) No children in class.

- (2) Food and drink may be consumed in class, but remove all remains.
- (3) Do NOT use cell phones, notebook computers, or other electronic devices in class.

All cell phones MUST be turned off during exams and quizzes.

(4) Please respect the right of others to speak and have opinions that might differ from yours.

# **COURSE CALENDAR:**

## **WEEK 1: What is Economics and why is it important?**

**Thoughts:** Man produces in order to consume. —Frederic Bastiat

**Read:** Chapter 1: The Nature of Economics

### **WEEK 2: What is the economic problem?**

**Thoughts:** At all times and places that is dear which is difficult to come at, or which it costs much labour to acquire; and cheap which is to be had easily, or with very little labour.

—Adam Smith

**Read:** Chapter 2: Scarcity and the World of Trade-Offs

Take: Quiz #1

#### WEEK 3: How do markets work?

**Thoughts:** Economic Science is but the working of common sense aided by appliances of organized analysis and reasoning. —Alfred Marshall

**Read:** Chapter 3: Demand and Supply

Chapter 4: Extensions of Demand and Supply Analysis, pages 80-87

Take: Quiz #2

# WEEK 4: What problems occur at the macroeconomic level?

**Thoughts:** The rate of unemployment is 100 percent if it is you that is unemployed.

—Anonymous

Inflation might almost be called legal counterfeiting. —Irving Fisher

**Read**: Chapter 7: The Macroeconomy: Unemployment, Inflation, and Deflation

**Take:** Quiz #3

# WEEK 5: How do we measure total economic activity?

**Thoughts:** *Maximum economic production does not lead necessarily to maximum economic satisfaction.* —Sir Josiah Stamp

**Read:** Chapter 8: Measuring the Economy's Performance

#### EXAM 1 EXAM 1 EXAM 1 EXAM 1

# WEEK 6: Why is growth important?

**Thoughts:** Production not being the sole end of human existence, the term unproductive does not necessarily imply any stigma. —John Stuart Mill

**Read:** Chapter 9: Global Economic Growth and Development

**Take:** Quiz #4

#### **WEEK 7: What are the sources of macroeconomic changes?**

**Thoughts:** Political economy is not a body of natural laws in a true sense, or of universal and immutable truths, but an assemblage of speculations and doctrines which are the result of a particular history. —Thomas Leslie

**Read**: Chapter 10: Real GDP and the Price Level in the Long Run

# WEEK 8: How do changes in aggregate demand and aggregate supply alter the economy?

**Thoughts:** The principle of laissez-faire may be safely trusted to, in some things, but in many more it is wholly inapplicable; and to appeal to it on all occasions savours more of the policy of a parrot than of a statesman or philosopher. —J. R. McCulloch

Read: Chapter 11: Classical and Keynesian Analyses

**Take:** Quiz #5

# WEEK 9: What causes economic instability?

**Thoughts:** Booms and slumps are simply the expression of the results of an oscillation of the terms of credit about their equilibrium position. —John Maynard Keynes

Read: Chapter 12: Consumption, Real GDP, and the Multiplier

# WEEK 10: How can government affect total spending?

**Read:** Chapter 13: Fiscal Policy

## EXAM 2 EXAM 2 EXAM 2 EXAM 2

# WEEK 11: What is the effect of government deficits and debt?

**Thoughts:** Small debts are like small shot: they are rattling on every side, and can scarcely be escaped without a wound; great debts are like cannon: of loud noise, but little danger.

—Samuel Johnson

**Read:** Chapter 14: Deficit Spending and the Public Debt

#### WEEK 12: Why are financial markets and financial intermediaries important?

**Thoughts:** The study of money, above all fields in economics, is the one in which complexity is used to disguise truth or to evade truth, not to reveal it. —John K. Galbraith

Read: Chapter 15: Money, Banking, and Central Banking

**Take:** Quiz #6

## WEEK 13: How does government control the money supply and banking?

**Thoughts:** There have been three great inventions since the beginning of time: fire, the wheel, and central banking. —Will Rogers

**Read:** Chapter 16: Domestic and International Dimensions of Monetary Policy

## WEEK 14: How do changes in the money supply affect the world economy?

**Thoughts:** The only quality demanded of a monetary system which is of any importance for promoting the trade and general welfare of the world, is stability. —Gustav Cassel

**Read:** Chapter 17: Stabilization in an Integrated World Economy

**Take:** Quiz #7

# WEEK 15: Why is trade important to the global economy?

**Thoughts:** Trade in its nature is free, finds its own channel, and best directeth its own course; and all laws to give it rules and directions, and to limit and circumscribe it, may serve the particular interests of private men, but are seldom advantageous to the public.

—Charles D'Avenant

Read: Chapter 18: Policies and Prospects for Global Economic Growth

EXAM 3 EXAM 3 EXAM 3 EXAM 3