COLLIN COUNTY COMMUNITY COLLEGE DISTRICT  
DIVISION OF BUSINESS AND COMPUTER SCIENCE  

COURSE SYLLABUS  
Fall 2009  

Course Number: ECON 2301  
Sections: S08 & S09  

Course Title: PRINCIPLES OF MACROECONOMICS  

Credit Hours: 3  
Lecture Hours: 3  
Lab Hours: 0  

Prerequisites: None  

Course delivery method: This course will be presented using class lectures, class discussions, PowerPoint, video projections, and MyEcon Lab.  

Instructor's Information:  

Professor: Tom Hudgins  
Office: Spring Creek Campus, Room G225  
Office Hours: MW 10:00-1:00 and TR 11:00-11:30  
Office Phone: 972-516-5060 or you can leave a message at 972-881-5846  
E-mail: thudgins@ccccd.edu  

Class Information:  

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<th>Course</th>
<th>Section</th>
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<tr>
<td>ECON 2301.S08</td>
<td>TR 11:30-12:45</td>
<td>J209</td>
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<td>ECON 2301.S09</td>
<td>TR 1:00-2:15</td>
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Course Learning Objectives: After completing the course students should be able to:  

1. Describe the importance of scarcity to economic decision making.  
2. Identify the opportunity cost encountered in any decision.  
3. Demonstrate the economic concepts of scarcity, trade-offs, efficiency, unemployment, and economic growth, using a production possibilities curve.  
4. Interpret how changes in demand behavior and/or supply behavior affect prices and quantity in a market.  
5. Justify how efficient market activity maximizes overall social well-being.  
6. Demonstrate the inefficiencies that develop in a market when government imposes a price control.  
7. Describe how the following macroeconomic measurements are calculated: nominal gross domestic product, price index, and unemployment.
8. Given proper data, compute the following macroeconomic measures: inflation rate, real gross domestic product, unemployment rate.
9. Defend the logic of the full-employment goal.
10. Describe the components of the business cycle.
11. Construct the AD-AS model of the macro economy and use it to illustrate macroeconomic problems and potential solutions.
12. Outline the precepts of classical economics.
13. Describe how an economy could self-regulate to a full-employment state.
15. Analyze Keynes’ role for government intervention into the economy.
16. Defend the use of deficit spending by the government in order to intervene in a recession.
17. Assess the problems of using excessive deficit spending by the government.
18. Justify the use of tax rate cuts to promote economic growth.
19. Describe fractional reserve banking as a means of controlling the size and growth of the money supply.
20. Compare and contrast the three tools that the Fed can use to control the money supply.
21. Relate a change in the money supply to a change in the inflation rate, a change in the economic growth rate, and a change in the interest rate.
22. Contrast the role of the Fed as espoused by activists and by non-activists.
23. Identify policies that promote economic growth.
24. Outline the impact of international trade on the macro economy and on macro policy decisions.
25. Assess the impact of globalization on international trade, investment, and the distribution of jobs.

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

- Exam 1 30%
- Exam 2 30%
- Exam 3 30%
- MyEcon Lab Exercises 5%
- MyEcon Lab Quizzes 5%
- TOTAL 100%

Notes: (1) Exams will consist of definitions, multiple choice questions, and short essay questions. Specific dates for exams will be announced in advance, and a study guide will be provided. Students are expected to take the exams at the scheduled time.
(2) MyEcon Lab Exercises are to be completed by students on their own. They are designed to enhance your understanding of economic terms and concepts. This percentage of your grade will be based on doing these exercises.
(2) MyEcon Lab Quizzes are short tests to assess your knowledge of economic terms and concepts. Your quizzes will be graded.
(4) Please notice that there is no "extra work" possible in this course. Do your best work the first time.

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

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 October 16, 2009.**

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

**Americans With Disabilities Act Statement:** It is the policy of Collin County Community College to provide reasonable accommodations for qualified individuals who are students with disabilities. This 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 educational opportunity. It is the student’s responsibility to contact the ACCESS office, SCC-G200 or 972.881.5898 (V/TTD: 972.881.5950) in a timely manner to arrange for appropriate accommodations.

**Academic Ethics:** **Do your own work.** 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.

The College District may initiate disciplinary proceedings against a student accused of scholastic dishonesty. Scholastic dishonesty includes, but is not limited to, statements, acts, or omissions related to applications for enrollment or the award of a degree, and/or the submission as one’s own work material that is not one’s own. Scholastic dishonesty may involve, but is not limited to, one or more of the following acts: cheating, plagiarism, collusion, use of annotated texts or teacher’s editions, and/or falsifying academic records.

**Plagiarism** is the use of an author’s words or ideas as if they were one’s own without giving credit to the source, including, but not limited to, failure to acknowledge a direct quotation.

**Cheating** is the willful giving or receiving of information in an unauthorized manner during an examination, illicitly obtaining examination questions in advance, copying computer or Internet files, using someone else’s work for the assignments as if it were one’s own, or any other dishonest means of attempting to fulfill the requirements of a course.

**Collusion** is intentionally aiding or attempting to aid another in an act of scholastic dishonesty, including but not limited to, providing a paper or project to another student; providing an inappropriate level of assistance; communicating answers to a classmate during an examination; removing tests or answer sheets from a test site, and allowing a classmate to copy answers.

**Class Rules:** (1) No children in class, please.
(2) Food and drink may be consumed discretely in class, but you should remove all remains (including puddles!) when you leave.
(3) **Do NOT use cell phones, computers, or other electronic devices in class.**
(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
       Chapter 2: Scarcity and the World of Trade

WEEK 2: How does a market 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, pp. 82-89

WEEK 3: How does the public sector work?

Thoughts: People and politicians are dominated by quite excessive expectations as to what can possibly, or practically, be delivered by governmental economic policies. --T. W. Hutchinson

Read: Chapter 5: Public Spending and Public Choice

WEEK 4: What is Macroeconomics and what problems occur in the macroeconomy?

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 and Inflation

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

WEEK 6: What about GDP and economic growth in the long run?

Thoughts: Economic advance is not the same as human progress. --Sir John Clapham

Read: Chapter 10: Real GDP and the Price Level in the Long Run
WEEK 7: Is the Economy self-regulating or not?

**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 Macro Analysis

WEEK 8: What are the sources of economic instability?

**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 12: Consumption, Real GDP and the Multiplier

WEEK 9: How can government affect total spending?

**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 13: Fiscal Policy
Chapter 14: Deficit Spending and the Public Debt

WEEK 10: What is money, and why are banks 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

WEEK 11: 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: Money Creation, the Demand for Money, and Monetary Policy

WEEK 12: How do changes in the money supply affect the 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: Domestic and International Dimensions of Monetary Stability
WEEK 13: Is our understanding of macroeconomics complete?

Thoughts: Economics can no longer be left to the economists or sociologists. The study of complex interactive systems requires an interactive team: behavioral scientists, mathematicians, statisticians, psychologists, systems analysts, and numerical data handlers. --Maurice G. Kendall

Read: Chapter 18: Stabilization in an Integrated World Economy

WEEK 14: 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

WEEK 15: Why is trade important to the world economy as a whole?

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 19: Policies and Prospects for Global Economic Growth