

**Spring 2006**  
**M. LeClair**

**Econ. 12**  
**Course Syllabus**

This course is an introduction to the study of macroeconomics, or economy-wide economic theory. The major focus throughout the semester will be on the twin problems of inflation and unemployment, and what the federal government or the Federal Reserve can do to address these problems.

Course Outline

The “new” presentation of macroeconomics (as it appears in Parkin) starts with the topic of growth theory, and returns to traditional material at the end of the course. Unfortunately, this tends to cloud the historical development of ideas in the field, particularly the contribution of John Maynard Keynes during the Great Depression. The rather jumbled order of chapters that appears below is necessary in order to present Keynesian thinking first, which I still believe to be the most appropriate way of examining macroeconomics

Text: Parkin, M. *Foundations of Macroeconomics*, 6<sup>th</sup> or 7<sup>th</sup> Edition

**SECTION I** - Introduction to macroeconomic theory: GDP accounting and economic output.

**SECTION II**- Basics of Keynesian economic thinking, and the implications for the economy

**SECTION III**-Money and the Monetary theory of economic growth and output.

**SECTION IV**- The new economics - Challenges to the Keynesian and Monetarist views of the world – Growth models and long-term macroeconomic analysis

Assigned Readings

**SECTION 1**

<u>Week</u>	<u>Readings</u>	<u>Topics</u>
1	Chapters 1,2	Introduction to economics
2	Chapter 4	Intro to macroeconomics
3	Chapters 5, 6	Households, spending and measurements of GDP The business cycle and employment and inflation

\*\*\*\*QUIZ\*\*\*\*\*

## SECTION II

4	Chapter 13	Keynsian and Pre-Keynsian Economic Theory
5	Chapter 14	Equilibrium output, employment and income – the role of Business Cycles
6	Chapters 15, 16	Government economic policy and the level of output and employment – Fiscal and Monetary Policy

**\*\*\*\*MID-TERM EXAM\*\*\*\***

## SECTION III

8	Chapter 10	The role of money in the economy – The Federal Reserve System
9	Chapter 11	Monetary policy and the level of interest rates, real GDP
10	Chapter 12	Monetary Theory and inflation
11	Chapter 7	Aggregate Supply and aggregate demand – equilibrium output and inflation

**\*\*\*\*MID-TERM II\*\*\*\***

## SECTION IV

12	*****	Rational Expectations and the "death" of Policy
12	Chapter 14 (again)	Phillips Curves and the inflation-unemployment tradeoff
13	Chapter 9	Economic growth
14	*****	Review for Final Exam

### Evaluation

There will be a quiz, two mid-term exams and a final. In addition, students will be expected to complete a number of homework assignments using excel. These will be weighted as follows:

Homework:	20%
Quiz:	10%
1st Mid-term:	20%
2nd Mid-term:	20%
Final:	30%

I will accept late homework (with a 10% penalty) until that assignment has been handed back to the class, and can then simply be copied. At that point, it becomes a zero. Students who show marked improvement on exams during the semester will have their latter exams weighted more heavily.

## Academic Honesty

All students are expected to comply with the code of academic honesty in the Catalogue. I expect students to work together on the **computer** part of the Excel assignments. At that point, the written part of the assignment should be completed independently. Incidents of cheating on a test will result in failure on that exam. Collusion on the homework assignments beyond what is permitted will result in failure on the assignment. Repeated incidents will lead to referral to the Dean.

## Office Hours

My office is in DM 321. (ext. 2295). I fully expect students to come and see me if they are having difficulty with the subject matter. Please do not wait until it is too late in the semester to seek help.

Tuesday: 9:15-10:15

Wednesday: 1:50-2:50

Friday 9:30-10:30