

**Principles of Macroeconomics, Econ 201, Section 1  
Spring, 2009**

Hasan School of Business  
Colorado State University-Pueblo

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HSB 101

**Office:** HSB 252

M, W, F: 10-10:50

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**Course Description:** Business decisions are influenced by overall economic conditions. Macroeconomics provides the basis for the understanding of these overall (or macro) economic conditions.

**Prerequisites:** Math 109 or 121, or instructor's permission for non-business majors.

**Learning Objectives:** Specific to Econ 201:

1. To be able to gather and interpret current economic data with the intention of providing an assessment of the current and expected state to the economy.
2. To understand the basics of fiscal and monetary policy.
3. To understand the differences between conservative (Republican) and liberal (Democrat) economic policies.
4. To understand the basics of international trade and international finance.

**Learning Goals:**

**Quantitative skills and decision making:** Students indentify the appropriate quantitative method to apply to various situations, use the appropriate technique for quantitative, or qualitative analysis, evaluate business situations and develop viable recommendations based on analysis, make decisions based on quantitative analysis, and synthesize ideas to create novel solutions to problems.

**Global Awareness:** Students will demonstrate an appreciation for various political influences on economic policies.

**Learning materials:**

**Required Text:**

Text and Study Guide for Principles of Macroeconomics, by Kevin Duncan. Purchase at CSU-P Bookstore Copy Center (pay with check or cash).

**Recommended:** Principles of Macroeconomics, Case and Fair. CSU-P Library reserve (see Circulation Desk).

**GRADES:** 100 points are possible and are available from the following sources:

Assignment	Points	Due
11 Quizzes	30 points	Every Friday (except 1-16, 2-27, 4-24)
Midterm	23 points	February 27
Paper	10 points	April 24
Final	24 points	April 28, 8-10:20
Homework	13 points	Feb. 27, April 28

**Make Up Policy:** There will be 11 quizzes (3 points each) that cannot be made up if missed. I will drop your lowest quiz score when calculating your final grade. A make up for the midterm will be given only if the student contacts me prior to the exam date. The final will cover the material from since the midterm. You must complete the midterm, final and paper to received a grade for this course.

Homework for chapters 1-6 (from your **Text and Study Guide**) is due at the time of the midterm. Assignments from chapters 7-13 are due at the time of the final. I will grade one problem (for one point) from each chapter

**GRADING BREAKDOWN:** Grading is based on the following percentage breakdown.

<u>Points &amp; Percentage &amp; Grade</u>	
100-90	A
89-80	B
79-70	C
69-60	D
59 or less	F

**Personal Goal and Commitment for Econ 201.**

**My goal for this class is to earn a grade of \_\_\_\_\_.** To earn this grade I understand that I must commit to regular attendance and must also devote time for weekly assignments.

**Signed:** \_\_\_\_\_.

**Specifics Regarding Academic Honesty:** Quizzes and exams are expected to be a student=s exclusive work. Group paper projects are expected to divide responsibilities equally.

**Expected Classroom Behavior:** Student participation in class discussion is encouraged and expected. It is also expected that your behavior will not disrupt class. You do not need to raise your hand to answer the questions I ask during lecture, but if you have a question please raise your hand. Avoid talking to other students during class time even if you are discussing course material. Feel free to ask any question you feel is relevant to the topic, or if you simply want repeat a statement. But, please raise you hand to draw my attention.

**Tentative Schedule:**

<u>Week</u>	<u>Subject and Readings (Text and Study Guide)</u>
1	<u>Introduction</u> Chapter 1
2-4	<u>Inflation, GDP and Unemployment</u> Chapters 2-4
5	<u>Recession, Expansion, and Stagflation</u> Chapter 5
6-7	<u>Supply and Demand Side Theory and Policy</u> Chapter 6
7 (end of week)	Midterm
8	<u>Multipliers and the Phillips Curve</u> Chapter 7
9	<u>Deficits and Debt</u> Chapter 8
10-12	<u>Money, Banking, and Monetary Policy</u> Chapter 9-11
13	<u>International Trade</u> Chapter 12
14	<u>Exchange Rates</u> Chapter 13
15	<u>Final</u>

Principles of Macroeconomics  
Paper Assignment  
Instructional Rubric A

Economic data is released several times during a month. These data can be used to assess the current and expected (short-term) state of

the U.S. economy. These data are usually reported with other financial news because participants in financial markets are particularly interested in how economic conditions will impact stocks and bonds. Throughout the semester I will incorporate current economic data in the class discussion to illustrate how these data are used.

Your paper assignment will involve the following:

1. Collect two indices that can predict a key economic topic. Collect these data from at least the last two reports. For example, unemployment and industrial capacity utilization can be indicators of future inflation. How these indices change gives us some idea of what inflation will be like in the future. To do this we need to know something about the recent history of the indices. So, you will need to collect recent data on each.

2. In your paper you need to present the data and describe and define each index as well as the key economic topic. For example, define inflation. Tell me what it is and why it is important to know something about expected inflation. Explain what each of the indices is (unemployment and industrial capacity utilization) and how these indices can affect inflation.

3. Explain how the trend in your selected indices is expected to impact inflation. For example, given the trend in your data would you expect higher, lower or no change in inflation? Explain why.

4. Finally, explain how your information can be used by practitioners. For example, how would you expect financial markets, or exchange rates to respond to your prediction?

I will periodically supply you with web sites that contain the most recent data. Once we have covered enough material you will want to begin work on your project. First you should select a key economic topic and indices you wish to investigate. This project is designed for teacher-student interaction. You will want to meet with me to discuss the data you will need. After collecting the data you will want to meet with me again to discuss the interpretations of the data.

This is a very important exercise that will build a foundation of understanding you can extend throughout your career. Plan ahead and take it seriously and you will learn a great deal of useful information. The results of exceptional studies will be discussed in class. I encourage you to work in groups of two.

Principles of Macroeconomics  
Paper Grading Criteria  
Instruction Rubric B

The following will give you an idea of the levels of knowledge and performance needed to receive various grades for the paper.

Advanced Grade: A	Proficient Grade: B	Partially Proficient (or less) Grade: C (or less)
<p>The paper contains all of the items listed in Instruction Rubric A.</p> <p>The paper is technically correct. The appropriate and sufficient data has been selected and collected.</p> <p>You have correctly and completely interpreted the results and provided accurate and imaginative applications.</p> <p>The paper is grammatically correct, well organized and clear.</p>	<p>The paper contains all of the items listed in Instruction Rubric A.</p> <p>The paper has a few, minor technical flaws with respect to data collection.</p> <p>With one or two exceptions, you have correctly and completely interpreted the results and provided an application.</p> <p>The paper is grammatically correct, well organized and clear.</p>	<p>The paper does not contain all of the items listed in Instruction Rubric A</p> <p>Technical errors are numerous with respect to data selection and collection.</p> <p>The interpretation is limited or incorrect. The interpretation of the data indicates an absence of a working knowledge of the concepts involved.</p> <p>The paper is not grammatically correct, is unclear and poorly organized.</p> <p>In general, a poor grade results from a lack of understanding of the concepts involved, due to insufficient time spent on this assignment.</p>