

ECO 112 TRI3-Z PRINCIPLES OF MACROECONOMICS
SPRING 2009

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Office Hours: By appointment—please feel free to contact me!

Classroom: Please refer to Records & Registration on the Inside Augsburg page (<http://augnet.augsburg.edu>) for the latest information on room assignments for your classes.

Required Text: ECON Macro, William A. McEachern, South-Western Cengage Learning, 2009. The text will be used in conjunction with Aplia—a program for practice and application of course concepts. Please note: every effort has been made to keep the price of the required text as low as possible.

In addition, I may assign selected outside readings to supplement the text. Information from these materials may be included in your homework and/or exams.

Social Science LAF Courses:

The disciplines (areas of study) known as the Social Sciences at Augsburg College include economics, political science, psychology, and sociology. All students are required to take two Social Science courses designated as Liberal Arts Foundation (LAF) courses as part of the Aug Core curriculum. LAF courses throughout the college are designed to provide students with a wide array of academic experiences for the ultimate purpose of the development of students as professionals and citizens.

Those courses in the Social Sciences that are designated as “LAF” courses are foundational to each discipline; in other words, each department teaches courses that are introductions to each field, and are thereby designated as LAF courses. Social Science LAF courses seek to teach students the following: First, that our understandings of social reality, with all of its complexities and diversity, can be improved and clarified through systematic and critical analysis. Second, each of the social sciences utilizes different theoretical frameworks and research methods to analyze and better understand various aspects of social systems. Third, the social sciences offer ways of gaining knowledge that are different from other fields, such as the natural sciences or the fine arts, by focusing on a diverse array of social realms.

Course Objectives:

The overall objective of this course is to introduce you to economic ideas and concepts that attempt to explain the behavior of our economy as a whole. An understanding of the underlying causes of unemployment, inflation, the business cycle, as well as potential

public and private sector responses to these problems, may help you to make better personal and business-related decisions. The course's student objectives are:

- a) To introduce the "economic way of thinking,"—including marginal analysis and opportunity cost-- and to apply this method of thinking to a variety of situations and problems
- b) To critically evaluate the workings of the theoretical free market economic system, noting market efficiencies and failures, and to assess the necessity of government intervention in the working of the market system.
- c) To introduce graphical representations of economic models, and to evaluate the models' usefulness in understanding macro economic performance.
- d) To introduce various indicators of economic performance, and to analyze their effectiveness in interpreting current economic events
- e) To use aggregate expenditures and aggregate supply and demand analysis to determine changes in output, resulting employment, and the price level from changes on the aggregate demand and supply side.
- f) To compare and contrast the tools and effectiveness of monetary and fiscal policy in influencing economic performance
- g) To analyze the impacts of the national deficit and the national debt
- h) To analyze various economic problems using the assumptions of differing economic schools of thought, and to evaluate the validity of each approach. (Especially valuable during trying economic times!)
- i) To analyze the costs and benefits of international trade, and to understand and apply the concepts of comparative advantage, absolute advantage, exchange rates and balance of payments

Homework:

During the course, to complete certain assignments, you will be required to access a new website dedicated to students and professors of economics. It is called Aplia.

Aplia Website

Many of the homework assignments are found on the Aplia website. The course key needed to access these materials is GBWN-DFNC-YJ6H. All homework assignments will collectively count the weight of one exam in determining your final grade. For example, if you earn 92% on all your homework, you will receive a 92 in figuring out your final grade.

Student benefits: By completing regular work in association with the lectures, you will better prepare yourself for the lectures and exams in the course. Cramming is not an effective method of learning. Think of the regular assignments on Aplia as a weekly Economics workout. Practicing and applying what you are learning from Aplia and lecture will better prepare you for class.

Aplia assignments: Aplia problem sets now allow you to instantly grade your work and to receive feedback on all of the questions you have answered. This is accomplished by clicking on the “Grade it Now” icon. If you are satisfied with your score on the problem set, you may move on to the next assignment page. If you feel you may improve your score after reading the feedback, however, you may click on the “Try Another Version” icon and answer another set of questions dealing with the same concept. You may try a given page of questions up to three times. The score entered in the gradebook will be the average of the points received on each attempt.

Aplia assignments must be completed by the due date. The software does not care whether you have an excuse or not. Do them early to avoid any emergencies preventing your completion before the due date.



Student Registration and Payment Instructions

Course Name: ECO112, Principles of Macroeconomics (2008TRI3-Z)
Start Date: 04/09/2009
Instructor: Dan S Marsh
Course Key: GBWN-DFNC-YJ6H

You can begin working on your homework as soon as you register!

- In this course, you will use a textbook and Aplia's website.
- In most cases, you can save money if you buy Aplia and your textbook together. See payment options below.
- You will have access to a digital version of your textbook using Aplia.

Registration

If you have never used Aplia before...

1. Connect to <http://www.aplia.com>.
2. Click the New Student link and enter your Course Key: **GBWN-DFNC-YJ6H**. Continue following the instructions to complete your registration.

If you have used Aplia before...

1. Connect to <http://www.aplia.com>.
2. Sign in with your usual e-mail address and password and enter your Course Key when prompted: **GBWN-DFNC-YJ6H**. If you are not prompted for a new Course Key, click the Enter Course Key

button to enroll in a new Aplia course. Enter your Course Key when you are prompted.

** You will have different payment options after you register for your course. If you choose to pay later, you can use Aplia without paying until 11:59 PM on 04/29/2009.*

Payment

Option 1: Digital Textbook with Aplia Access

- **From Aplia:** Purchase access to your course from Aplia's website for \$70.00 USD.

Option 2: Physical Textbook with Aplia Access (also includes digital textbook)

- **From Aplia:** Purchase access to your course for \$70.00 USD and a physical book for \$25.00 USD from Aplia's website.
- **From Bookstore:** Purchase an Aplia Access Card and a physical book together as a bundle from your campus bookstore.

** If you purchased an Aplia Access Card from a bookstore, enter the Access Card's payment code on Aplia's website as payment for your Aplia course.*

** You will have access to your digital textbook up until the end of this course.*

Disclaimer: I am not financially affiliated with Aplia and receive no monetary benefit from requiring this material.

Quizzes and tests:

There will be one midsemester exam and one final exam. Each exam will consist of two parts—multiple choice, and short answer. The midsemester exam will be given as a takehome exam—that is, you can arrive at answers any way you wish--(Simply copying someone else's work, however, is not only unethical, it is not likely to yield consistency in grade scores that might be expected if you did entirely your own work—and it certainly will not yield the learning that you would have gained if you would have worked through everything yourself.) The multiple choice portion of the final exam can be taken cooperatively—that is, you may team up with someone else in the class to determine the answers. The short essay portion will be taken individually.

Grading:

The course will be structured so that approximately 30% of your grade will be based on homework assignments, 60% on exams, and 10% on attendance and participation.

The standard grading system will be used:

90% or above	4
80% or above	3
70% or above	2
50% or above	1

Tentative Course Outline: A conscious attempt will be made in each class to apply class concepts to current economic events and conditions...

Date	Topics	Chapters
April 9	Introductions, Scarcity, Economic Problem, Economic Systems, Production Possibilities, Opportunity Cost, Market System, Circular Flow, Marginal analysis, Features of Capitalism	1,2
April 23	Demand and Supply, Equilibrium, Price Floors and Ceilings, Efficiency, Market Failures, Potential Roles of Government	3,4
May 7	Indicators of Economic Performance, GDP, NDP, NI, PI, DI, Real Statistics Unemployment, Inflation, Business Cycle, Phillips Curve, "Natural" Rate of Unemployment	5,6,7,8
May 21	Introduction to Macroeconomic Schools of Thought, Aggregate Expenditures Model, Classical vs. Keynes, Supply-Side, AD-AS Model	9,10,11
June 4	Midsemester Takehome Exam, Fiscal Policy, Deficit, Debt, Active vs Passive macro debate, Current situation analysis... (Only one week until the next class!)	12,13,17
June 11	Money and Banking, Money Creation, Monetarism, Monetary Policy, Fed policy options....	14,15,16
June 25	International Trade, Comparative Advantage, Balance of Trade, Balance of Payments, Exchange Rates, Final Exam`	18

CLASS OFFICE

Students with disabilities who believe that they need accommodations in this class are encouraged to contact the Center for Learning and Adaptive Student Services (CLASS) at 330-1648 as soon as possible to better ensure that such accommodations are implemented in a timely fashion. In addition, anyone needing any special assistance or consideration is encouraged to contact me at marsh45@comcast.net or at 952-334-3301.