

**KENT STATE UNIVERSITY**  
**Department of Economics**

**Course Syllabus – Fall 2009**  
**ECON 22061-005 Principles of Macroeconomics**  
**Class Meets: TR 2:15-3:30pm in 100 BSA**

Instructor: Dr. Jooyoun Park  
Office: 476 Business Administration Building  
Phone: (330) 672-1086  
Email: [jpark8@kent.edu](mailto:jpark8@kent.edu)  
Office Hours: Tue 3:30 - 6pm and Thu 9 – 11:30am

**Course Goals and Objectives**

This course is an introduction to the field of macroeconomics. Main subject of macroeconomics is the economy as a whole, so this course discusses roles of government entities and policies in affecting aggregate production, consumption, investment and government expenditures. Topics include role of money, the banking system, inflation, unemployment, and economic growth.

**Prerequisites** : ECON 22060 Principles of Microeconomics

**Required Text**

Principles of Macroeconomics by Gregory Mankiw, 5<sup>th</sup> Edition  
Students are allowed to use previous editions of this book. The main contents do not vary greatly across editions. However, students should be aware of the inconvenience caused by different side materials provided in the book which might be discussed in the class. Also, be aware of different page numbers.

**Other Resources and Readings**

1. There are also a number of shorter readings required for the class. These readings will be announced prior to each class and the links will be posted on the class website. These readings are mostly articles from major newspapers and magazines such as Wall Street Journal, The Economist, and the Financial Times.
2. For the purpose of review, some study questions will be available on the course website. These are not homework, so students are not required to submit it. Students are strongly advised to try the study questions since exam questions will resemble them.
3. Students are encouraged to use other resources to improve understanding of the current macroeconomic events by reading newspapers and economics blogs. Good places to look
  - Gregory Mankiw's Blog: <http://gregmankiw.blogspot.com/>
  - Paul Krugman's Blog: <http://krugman.blogs.nytimes.com/>

**Tutoring**

Students are strongly advised to take advantage of free tutoring services provided by the department of economics. The tutoring sessions will be held in room 451 of the Business Administration building. The schedule will be announced shortly.

### **Enrollment and Withdrawal**

Students have responsibility to ensure they are properly enrolled in classes. You are advised to review your official class schedule (using Student Tools on FlashLine) during the first two weeks of the semester to ensure you are properly enrolled in this class and section. Should you find an error in your class schedule, you have until Sunday, **September 6, 2009** to correct the error. If registration errors are not corrected by this date and you continue to attend and participate in classes for which you are not officially enrolled, you are advised now that you **will not** receive a grade at the conclusion of the semester for any class in which you are not properly registered.

The course withdrawal deadline is Sunday, **November 8, 2009**. Withdrawal before the deadline results in a "W" on the official transcript; after the deadline a grade must be calculated and reported.

### **Exams and Grades**

The class will be graded on a curve. Grades will be based on two midterm exams and a final exam. Exams will be in class, closed book, at the times listed below. The weights on each in determining your grade are also indicated:

	Date	Time	Weight
First Midterm Exam	10/15	in class	30%
Second Midterm Exam	11/24	in class	30%
Final Exam	12/18	12:45-3pm	40%

### **University Grade Change Policy**

Once course grades are submitted, they are final and will not be changed except in cases of administrative error. Grades will not be changed by allowing the student to do additional work (e.g., retaking exams, redoing papers; submitting extra credit papers, reports, etc.) or by using criteria other than those applied to all students in the class.

### **Academic Honesty**

Cheating means to misrepresent the source, nature, or other conditions of your academic work (e.g., tests, papers, projects, assignments) so as to get undeserved credit. In addition, it is considered cheating when one cooperates with someone else in any such misrepresentation. The use of the intellectual property of others without giving them appropriate credit is a serious academic offense. It is the University's policy that cheating or plagiarism results in receiving a failing grade for the work or course. Repeat offenses result in dismissal from the University.

### **Students with Disabilities**

University policy 3342-3-01.3 requires that students with disabilities be provided reasonable accommodations to ensure their equal access to course content. If you have a documented disability and require accommodations, please contact the instructor at the beginning of the semester to make arrangements for necessary classroom adjustments. Please note, you must first verify your eligibility for these through Student Accessibility Services (contact 330-672-3391 or visit [www.kent.edu/sas](http://www.kent.edu/sas) <<http://www.registrars.kent.edu/disability/>> for more information on registration procedures).

## COURSE OUTLINE

### I. Introduction

Sep 1 <sup>st</sup>	Hand out syllabus Ten principles of Economics	Ch 1
Sep 3 <sup>rd</sup>	The Circular-Flow Diagram Production Possibility Frontier	Ch 2 pp.21 - 30 (pp.30 - 38 optional)

### II. The Basics of the Market Economy

Sep 8 <sup>th</sup>	Gains from Trade Absolute Advantage Comparative Advantage	Ch 3
Sep 10 <sup>th</sup>	International Trade Comparative Advantage and Patterns of Trade Winners and Losers of International Trade	Ch 9
Sep 15 <sup>th</sup>	<b>No Class</b>	

### III. The Data of Macroeconomics

Sep 17 <sup>th</sup>	Measuring Nation's Income Gross Domestic Product	Ch 10
Sep 22 <sup>nd</sup>	Measuring the cost of Living Consumer Price Index GDP deflator	Ch 11

### IV. The Real Economy in the Long Run

Sep 24 <sup>th</sup>	Production and Growth Productivity Growth-promoting policies	Ch 12
Sep 29 <sup>th</sup>	Getting Savings to Investors Financial Institutions Savings and Investment	Ch 13 pp.271 - 279
Oct 1 <sup>st</sup>	Market for Loanable Funds Supply and Demand for Loanable Funds Economic Policies	Ch 13 pp.279 - 289
Oct 6 <sup>th</sup>	Finance Present Value and Compounding Decision Making: Risk vs. Return	Ch 14

## **V. Money and Prices in the Long Run**

Oct 8 <sup>th</sup>	Monetary System Functions of Money Definition of Money Federal Reserve System	Ch 16	pp.337 - 345
Oct 13 <sup>th</sup>	Banks and Money Supply Money Creation Tools of Monetary Control	Ch 16	pp.345 - 354
<b>Oct 15<sup>th</sup></b>	<b>Midterm 1. Covers up to Chapter 14</b>		
Oct 20 <sup>th</sup>	Inflation Money Market and Determination of Price Level Fisher Effect	Ch 17	

## **VI. Open Economy Macroeconomics**

Oct 22 <sup>nd</sup>	International Transactions and Exchange Exports and Imports Nominal and Real Exchange Rates Exchange Rate Determination	Ch 18	
Oct 27 <sup>th</sup>	Open Economy Model Market for Loanable Funds vs. Market for Foreign Exchange Net Capital Outflow	Ch 19	pp.411 - 419
Oct 29 <sup>th</sup>	Budget and Trade Deficits Link between Budget and Trade Deficits Trade Policies	Ch 19	pp.420 - 430

## **VII. Economic Fluctuations and Unemployment**

Nov 3 <sup>rd</sup>	Unemployment Measuring Unemployment Rate Minimum Wage Laws	Ch 15	
Nov 5 <sup>th</sup>	Aggregate Supply Long-run AS curve Short-run AS curve	Ch 20	pp. 435 - 436 pp. 447 - 457
Nov 10 <sup>th</sup>	Short Run Aggregate Demand Composition of AD	Ch 20	pp. 442 – 447
Nov 12 <sup>th</sup>	Causes of Economic Fluctuation Fact of Economic Fluctuation Causes of Economic Fluctuations	Ch 20	pp. 436 – 442 pp. 457 - 467

Nov 17<sup>th</sup>      Monetary Policy      Ch 21   pp. 473 - 483  
                    Monetary Policy and Shifts of AD curve  
                    Short-run vs. Long-run Impacts of Monetary Policies

Nov 19<sup>th</sup>      Fiscal Policy      Ch 21   pp. 483 - 494  
                    Fiscal Policy and Shifts of AD curve  
                    Short-run vs. Long-run Impacts of Fiscal Policies  
                    Stabilization Policy

**Nov 24<sup>th</sup>      Midterm 2. Covers Chapters 15 - 20**

Nov 26<sup>th</sup>      **No Class: Thanksgiving Break**

Dec 1<sup>st</sup>      The Phillips Curve      Ch 22   pp.497 - 511  
                    Shifts in the Phillips Curve

Dec 3<sup>rd</sup>      Moving along the Phillips Curve      Ch 22   pp. 512 - 519

#### **VIII. Policy Debates**

Dec 8<sup>th</sup>      Policy Debates      Ch 23  
                    Stabilization Policy  
                    Central Bank and Inflation  
                    Budget Balance

Dec 10<sup>th</sup>      Review and Questions

**Dec 18<sup>th</sup>      Final Exam: Cumulative**