

Economics 1113
Principles of Macroeconomics
Fall 2002

Instructor: Professor Timothy Dunne
Office: 321 Hester Hall
Office Hours: TTH 1:45-3:00 p.m.

Course Description: This is an introductory course in economics. The course will first examine the fundamentals of supply, demand, and markets. This analysis forms the basis for both microeconomics and macroeconomics. The second part of course focuses on understanding the macro-economy. This part of the course will include the development of simple models of the macro-economy, a description and analysis of the US monetary system, an introduction to international economics, and an examination of various economic policies. The objectives of the course are (1) to provide students with a practical knowledge of macroeconomics that can be used to better understand current economic debates, and (2) to introduce students to formal models and problem solving methods in economics.

Grading: Grades will be based on three in-class tests (presenting 20% of the course grade for each exam); four homework assignments (for a total of 10% of the course grade); and a comprehensive final exam (30% of the course grade). Homework assignments that are complete, on time and show good effort will be awarded full credit. Solutions to the homework assignments will be either presented in class or posted on blackboard within a day or two of the due date. Partially complete homework assignments will receive partial credit. The object of the homework assignments is to encourage students to review the material before test time.

Tests and Homework Dates:

Homework 1:	9/10/02
Test 1:	9/19/02
Homework 2:	10/8/02
Test 2:	10/17/02
Homework 3:	11/5/02
Test 3:	11/14/02
Homework 4:	12/5/02
Final:	See Finals Schedule

Exam and Homework Policy: *There will be no make-up exams given in the course without a formal university-approved excuse. If you miss an exam with an approved university excuse, a make up exam will be given on 11/26/02. Late homework will not be accepted. Homework is to be handed in at the beginning of class on the due date. There will be no exceptions to this policy.*

Course Website: I will use OU's Blackboard system to deliver course materials, homework and announcements. The site address is blackboard.ou.edu. I will set up folders for the homework assignments and practice test questions. I will also post announcements and assign articles to read from internet sources regarding current economic events. It is important that you refer to the class website frequently.

Reading Materials:

Principles of Macroeconomics, Second Edition, by Gregory Mankiw, 1998.

Reading assignments and assigned problems will be given out ahead of time in class. It is very important to read the Mankiw text before the material is presented in class. Additionally, to keep up with current economic events, students should occasionally read The Wall Street Journal, The Economist, and/or The New York Times Business Section or check out their websites (especially, www.economist.com). A nice website (updated daily) about the macro-economy is www.economy.com/dismal/ (The Dismal Scientist).

Course Coverage:

Week	Chapters from Mankiw	Topics
8/26	1 & 2	Overview, Economic Models, Graphical Analysis Primer, Circular Flow, Production Possibilities Frontier
9/2	3-4	Comparative Advantage, Absolute Advantage, Opportunity Costs, Gains from Trade, Supply & Demand
9/9	4-5	Supply & Demand: Individual Demand, Market Demand, Individual Supply, Market Supply, Equilibrium
9/16	5 continued	Supply and Demand, Elasticity and Price Elasticity of Demand (continued) EXAM 1: Chapters 1-5 (9/19)
9/23	10 & 11	Measuring a Nation's Income and the Cost of Living: GDP, Real vs. Nominal, CPI
9/30	12	Economic Growth: Technology, Capital, Savings, Population Growth, Natural Resources
10/7	13	Savings & Investment: Supply and Demand for Loanable Funds, Budget Deficits, Financial System and Markets, Interest Rates
10/14	13 continued	Savings and Investment (continued) EXAM 2: Chapters 10-13 (10/17)
10/21	14	Unemployment: Labor Force Participation, Natural Rate of Unemployment, Job Search, Unemployment Insurance, Minimum Wage, Unions
10/28	15-16	Monetary Economics: Money, Central Banks, Money Supply, Money Creation, Discount Rate, Reserve Ratio, Structure of Federal Reserve System
11/4	16-17	Money and Inflation & Open-economy Macroeconomics: Money and Inflation, Money Supply-Money Demand, Quantity Equation, Inflation Tax, Fisher Effect
11/11	17	Open-economy Macroeconomics (continued): International Capital and Goods Flows, Net Foreign Investment, Net Exports, Exchange Rates EXAM 3: Chapters 14-17 (11/14)
11/18	19	Aggregate Demand and Aggregate Supply: Analysis of Short-run Economic Fluctuations, Aggregate Demand, Aggregate Supply (Long Runs and Short Run)
11/26	Thanksgiving Week	Make-up exam if necessary (11/26). University approved excuse only
12/2	20	Monetary and Fiscal Policy: Monetary Policy, Aggregate Demand, Multiplier Effect, Stabilization Policy
12/9	21-22	Inflation & Unemployment Tradeoff, Macroeconomic Policy Debates

Reasonable Accommodation Policy: Any student in this course who has a disability that may prevent him or her from fully demonstrating his or her abilities should contact me personally as soon as possible so we can discuss accommodations necessary to ensure full participation and facilitate your educational opportunities.