

University of Hawaii - Honolulu Community College
Econ 131 Principles of Economics II: Macroeconomics
Fall 2015

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Course Description: Analysis of economic systems with emphasis on the forces determining levels and changes of national income in the U.S. economy. Describes basic economic institutions within the context of government policies concerning unemployment, inflation, and economic growth.

Note: This course transfers to virtually every college/university in the U.S. and fulfills part of the University of social science core requirements of HCC and the University of Hawaii System.

Student Learning Outcomes: Upon successful completion of Econ 131, students should be able to:

1. Demonstrate an understanding of macroeconomic theories and the scientific method and models that economists use to analyze and explain the performance of the economy and such macroeconomic problems as inflation and unemployment.
2. Demonstrate knowledge of the circular flow model of the U.S. economy and an understanding of how the U.S. economy works compared to other types of economic systems.
3. Apply the basic economic tools of supply and demand analysis to understand how the prices of goods and resources are determined, how they change in response to market forces, and how prices affect the way in which goods and resources are allocated among competing uses and users.
4. Calculate and interpret economic indicators that measure the performance of the U.S. economy, such as gross domestic product, unemployment rate and price indexes.
5. Explain and apply macroeconomic models to analyze the factors that determine the level of, and changes, in national output, income, and employment.
6. Demonstrate an understanding of the U.S. banking system, including the role of the Federal Reserve System (the U.S. central bank).
7. Understand and analyze national fiscal policy (government spending and taxes), the federal budget, and national debt and their effect on national output, income and employment.
8. Understand and analyze national monetary policy and its effect on national output, income and employment.

Course Prerequisites: ENG 22/60 or ESL 23 or placement in ENG 100; and
MATH 24 or placement in MATH 25

Textbook: Macroeconomics by William Boyes & Michael Melvin

Grading Policy: Grades will be allocated as follows: A=90-100%; B=80-89%; C=65-79%; D=51-64%; F=0-50%. **An N grade will be given only under extreme circumstances (e.g., medical emergency) and where students have demonstrated a willingness to learn by regular attendance in class. Students who disappear from the class without officially withdrawing from the class or without contacting the instructor will receive a failing grade.**

Attendance Policy: Your learning will suffer if you fail to attend class. Attendance will be taken each day. **Four or more unexcused absences will very likely result in a failing grade.**

Requirements: 1. **Homework;** 63 points total
2. 3 **Quizzes** (5 points each); 15 points total
3. 3 **Unit Exams** (60 points each); 180 points total

Reading Assignments: Read ahead. You are required to read all assigned readings **prior** to class, and to be prepared to discuss them in class. Lectures are only intended to supplement and complement your readings, not substitute for them.

Homework Assignments include math problems, fill in the blanks, multiple choice questions and/or brief essay questions that will reinforce your understanding of basic economic concepts. Your homework assignments will be collected at the beginning of the class period. **Late Assignments: A 10% daily penalty deduction will be applied to each late assignment.**

Quizzes are given **in the first 5 minutes of each class (so don't be late!)**. They will include multiple choice or fill in the blank questions based on material covered in the lectures and textbooks. **You will not be allowed to retest or make up missed quizzes.** Your two lowest quizzes will not be included in calculating your total points/final grade for the course.

Exams include a mix of multiple choice, true/false or fill in the blanks; math problems; and one brief essay question. Your exam will be returned to you by the next class period. **An unexcused absence on the day of an exam will result in a zero score and you will not be allowed to make up the exam.**

Disabilities: Qualified students with disabilities will receive appropriate accommodations in this course. Please notify the instructor of your disabilities and provide a verification letter from the HCC Services for Students with Disabilities Office.

Cheating: Any cheating or plagiarism will result in an "F" for your final grade in the course.

Disclaimer: The information in this syllabus should be viewed only as general guidelines for this class and is not intended to be all inclusive as modifications may be necessary.

TOPICS

CHAPTERS

UNIT 1A - INTRODUCTION TO ECONOMICS & ECONOMIC SYSTEMS

Intro: Definition, Scarcity, Choice, Opportunity Costs, Specialization & Trade	1, 2
Price/Market System: Markets, Demand, Supply, and Price	3
Economic Systems: Capitalism, Socialism & Mixed Economy	Handouts
Circular Flow Model: Household, Business, Government, International sectors	4

UNIT 1B – MACRO BASICS: MEASURING NATIONAL ECONOMIC PERFORMANCE

National Income Accounting: Gross Domestic Product, Price Indexes	5
Unemployment and Inflation	7
Foreign Exchange Markets & the Balance of Payments	6

UNIT 2 - MACRO MODELS: AGGREGATE DEMAND/SUPPLY MODEL; KEYNESIAN MODEL

Macroeconomic Equilibrium: Aggregate Demand & Aggregate Supply	8
Keynesian Model: Aggregate Expenditures	9 & Appendix
Keynesian Model: Income & Expenditures Equilibrium	10 & Appendix

UNIT 3 - MACRO POLICIES: FISCAL POLICY & MONETARY POLICY

Fiscal Policy	11 & Appendix
Money & Banking	12
Monetary Policy	13

OPTIONAL - MACRO ISSUES: GROWTH & DEVELOPMENT, TRADE & FINANCE

Macroeconomic Policy: Tradeoffs, Expectations, Credibility & Business Cycles	14
Macroeconomic Viewpoints: New Keynesian, Monetarist, New Classical	15
Economic Growth & Development	16, 17
Globalization	18
World Trade, Exchange Rates & Financial Links Between Countries	19-21