

Syllabus: ECONOMICS 104 (Principles of Macroeconomics) Summer 2015

**Instructor:** Eric Hammer ([ehammer@masonlive.gmu.edu](mailto:ehammer@masonlive.gmu.edu)) Ph: 484 225 7098

**Location & Time:** Planetary 120 7-10 pm, M-W-F

**Office Hours:** Enterprise Workstation 342, Wednesday and Friday 5-7 pm

**TEXTBOOK:** Modern Principles: MACroeconomics 2<sup>nd</sup> ed. by Cowan and Tabarrok. An earlier edition is ok, as is the 3<sup>rd</sup> edition, as the course will not be totally predicated on the text.

**Course Objectives:** The lectures and readings in this course are designed to familiarize students with the fundamentals of macroeconomic theory. The central focus this course takes is to create an understanding of the process of price formation in a free exchange economy. A wide variety of market institutions such as the price 'system, monetary system, the profit-loss system, speculation, financial intermediaries, and the structure of production are explored for their coordinative roles with respect to aggregate economic activity. Also, we will examine the economics of public choice that highlights the elementary dynamics of the political marketplace. Finally, the basic microeconomic and macroeconomic principles are applied to a wide variety of larger economic issues such as inflation, unemployment, national income, economic growth and development, the business cycle etc.

**Grading:** There will be two exams for the course: one 50 minute midterm and one comprehensive final. There will also be homework assignments every class, 14 in total. The grade breakdown is as follows:

- Midterm: 25%
- Final: 35%
- Home Works: 40%

**Midterm:** Wed July 15, 7-8 pm, and covers content from chapters 1-10.

**Final:** Fri July 31, 7-9 pm, and comprehensive.

**Home Works:** There will be homework every class, to be handed in as a hardcopy the next class, consisting of 5-10 short answer questions based on the reading and lectures, and a one page summary of the content covered in class with a few examples from your life (i.e. not from the book.) The questions will be very similar to the exam questions, and so if you can comfortably answer them you are likely in good shape for the exam. The summary will help me keep track of where the class is in terms of understanding. The homework will be graded at 10 points per assignment, out of 100; to get full points you must complete and hand in 10 assignments, and extra assignments will enhance your grade. There is a very high correlation between the amount of time spent on homework and exam grades in my experience, and so I encourage students to do every homework assignment.

**Weekly Readings:** This course will be following the basic structure of Cowan and Tabarrok's text book Modern Principles: Macroeconomics. Although all the relevant information for exams will be delivered in lectures, students are encouraged to read along with in the book for other examples and ways of

thinking about the topics. Due to the condensed nature of the class, even a chapter per class reading schedule would not cover the entire book, and so some aspects will be rolled into others. That is to say that reading the text is not a substitute for coming to class, but perhaps a valuable supplement. (A complimentary good, if you will.) I will inform you at the end of every class what the next class's topics will be, as well as the relevant readings. The following list is a tentative schedule of topics if you want to read ahead:

1. Mon June 29
  - a. HW 1 (Emailed with Syllabus)
  - b. Read Ch 1 and 2
2. Wed July 1
  - a. Review Syllabus
  - b. Chap 1: Big Ideas
  - c. Chap 2: Trade and Comparative Advantage
3. Fri July 3
  - a. Chap 3: Supply and Demand
  - b. Chap 4: Equilibrium
4. Mon July 6
  - a. Chap 5: Price Ceilings and Floors
  - b. Catch up and review for Midterm
  - c. Chap 6: GDP as time allows
5. Wed July 8
  - a. Chap 6: GDP
  - b. Chap 7: Wealth of Nations
6. Fri July 10
  - a. Chap 8: Growth theory
  - b. Chap 9: Savings, Investment and Financial Systems
7. Mon July 13
  - a. Chap 10: Stock Markets and Personal Finance
  - b. Catch up and review for Midterm
8. Wed July 15
  - a. Midterm in first half of class
  - b. Chap 11: Unemployment
9. Fri July 17
  - a. Chap 12: Inflation and Quantity Theory of Money
  - b. Chap 13: Business Fluctuations
10. Mon July 20
  - a. Chap 13: continued
  - b. Chap 14: Transmission and Amplification
  - c. Catch up and Review for Final
11. Wed July 22
  - a. Chap 16: Monetary Policy

- b. Chap 15: Federal Reserve System
- 12. Fri July 24
  - a. Chap 17-18: Fiscal Policy
- 13. Mon July 27
  - a. Chap 21: Public Choice
  - b. Chap 22: International Trade and Finance
- 14. Wed July 29
  - a. Catchup and review for Final
- 15. Fri July 31
  - a. Final Exam

**GRADING SCALE:** I use a ten-point scale. 90-100: A; 80-89, B; 70-79, C; 60-69, D. Below 60 is an F. These numbers are firm. If the weighted average of your three exam grades is 89, you will have earned a B for the course – not an A. Please do not ask me to raise your grade. I never grant such requests. I am not in the business of giving grades: I merely report the grade that you earn.

#### **ACADEMIC INTEGRITY**

GMU is an Honor Code university; please see the University Catalog for a full description of the code and the honor committee process. The principle of academic integrity is taken very seriously and violations are treated gravely. What does academic integrity mean in this course? Essentially this: when you are responsible for a task, you will perform that task. When you rely on someone else's work in an aspect of the performance of that task, you will give full credit in the proper, accepted form. Another aspect of academic integrity is the free play of ideas. Vigorous discussion and debate are encouraged in this course, with the firm expectation that all aspects of the class will be conducted with civility and respect for differing ideas, perspectives, and traditions. When in doubt (of any kind) please ask for guidance and clarification.

#### **GMU EMAIL ACCOUNTS**

Students must use their Mason email accounts—either the existing "MEMO" system or a new "MASONLIVE" account to receive important University information, including messages related to this class. See <http://masonlive.gmu.edu> for more information.

#### **OFFICE OF DISABILITY SERVICES**

If you are a student with a disability and you need academic accommodations, please see me and contact the Office of Disability Services (ODS) at 993-2474. All academic accommodations must be arranged through the ODS. <http://ods.gmu.edu>

#### **OTHER USEFUL CAMPUS RESOURCES:**

**WRITING CENTER:** A114 Robinson Hall; (703) 993-1200; <http://writingcenter.gmu.edu>

**UNIVERSITY LIBRARIES "Ask a Librarian"**

<http://library.gmu.edu/mudge/B4/1MRefhtml>

**COUNSELING AND PSYCHOLOGICAL SERVICES (CAPS): (703) 993-2380;**

<http://caps.gmu.edu>