

George Mason University
Fall Semester
Macroeconomic Theory
Economics 104

Professor	Dr. Thomas Carl Rustici
Office	James Buchanan Hall Room 162
Hours	MWF 9:00 am to 10:15 am; MW 11:30 am to 1:15 pm
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This class is primarily in-person but can be on-line as well, depending on potentially changing conditions concerning the safe return to campus. Every student should be familiar with **Blackboard**. In the event classes are not possible in-person, we can seamlessly transition to **Blackboard**.

If this disruption occurs, any missed class lectures will be Youtube videos uploaded to **Blackboard** for the student to view at their own schedule. These videos for each week will be uploaded on Monday and Wednesday. All class announcements are posted to **Blackboard**. Exam dates and times will be posted at least one week before the exam to give students preparation time for the exam.

Graduate Assistant Colin Sides can be reached at csides@gmu.edu. Colin's hours for meeting with students for student questions about the course are Tuesday and Thursday from 11:00am to 1:00pm each week.

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 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.

Grades There are four exams in this course, three 50 minute midterms and a comprehensive final. Make-up for exams is only permissible if the student notifies the instructor *before* the scheduled testing or because of extraordinary circumstances. All cases of unexcused absences for tests receive a zero. **THERE IS NO CURVE IN THIS CLASS.** There are NO homework assignments or other projects in this course.

Exams are taken through **Blackboard**. Exams are a mix of multiple choice, short answer questions and essay questions. **Grades are based on 90% and up = A; 80 to 89% = B; 70 to 79% = C; 60 to 69% = D; 59% and lower = F.** The course grade is weighted as follows:

Exam 1	20%
Exam 2	20%
Exam 3	20%
Final	40%

IMPORTANT NOTICE ABOUT EXAMS

You will need to download the Respondus Lockdown Browser before any exam can be taken in the course. The following link allows you to do this.

<https://its.gmu.edu/knowledge-base/how-to-install-and-use-the-respondus-lockdown-browser/>

Required Texts

There are two **required** textbooks for successful completion of this course. These texts are co-edited and co-authored by Dr. Thomas Rustici, Dr. Jim Caton, Ted Phalan and Dr. Dima Shamoun.

Macroeconomics Vol. 1: The Monetary Foundations of the Macro Economy (M1)

Macroeconomics Vol. 2: Macro Economics: Past and Present (M2)

These books should be available to the student either through the GMU Bookstore, Amazon or directly from the publisher Cognella.

The GMU Bookstore website is gmu.bncollege.com.

Attendance If for any reason regular attendance becomes difficult, please notify the instructor as soon as possible. While in class, you are expected to be always on your best behavior. Disruptive students will not be tolerated and asked to leave the class as well as receive an automatic grade of "F" for the course.

As the class begins you will want to keep pace with the readings. Exam dates are "Rules of thumb" and not hard and fast dates. As we approach the exam dates I will announce the exact date in class and on Blackboard and the cut-off point of required material for each exam.

Honor This course demands the highest standard of conduct. Cheating or plagiarism is not tolerated in any way. **Exams DO NOT allow for any students sharing answers during the test to any test questions. This will be considered an Honor Code violation by the professor.** Violation of this code results in an immediate failing grade for the course and a report to the GMU Honor Committee.

Week 1 *Spontaneous Order: The Big Picture*
(M1) start Chapter 1

Week 2 *Microeconomic Theory & Macroeconomic Fundamentals*
(M1) finish Chapter 1

Week 3 *The Price System and Economic Coordination*
(M1) start Chapter 2

Week 4 *Comparative Advantage, International Trade and Public Choice*

(M1) finish Chapter 2

(M1) Appendix 1

Exam 1

Week 5 Money, Capital, the Structure of Production and GDP

(M1) Chapter 3 & start Chapter 4

(M1) Appendix 2

Week 6 The Quantity Theory of Money: Episodes in Hyperinflation

(M1) finish Chapter 4 & Chapter 5

(M1) Appendix 3

Week 7 The Classical Macro Model & the Significance of Say's Law

(M1) Chapter 6

Exam 2

Week 8 The Keynesian Model and the Federal Reserve System

(M2) Chapters 1 & 2

Week 9 Macroeconomic Theory and America's Great Depression

(M2) Chapter 3

Week 10 Monetarism: The Quantity Theory and Expectations

(M2) Chapter 4

Week 11 Rational Expectations and the Breakdown of the Neoclassical Synthesis

(M2) start Chapter 5

Exam 3

Week 12 Austrian Economic Theory & Supply-side Economics and the Underground Economy

(M2) finish Chapter 5 & start Chapter 6

Week 13 The Economics of Growth and Development

(M2) finish Chapter 6 & Chapter 7

Final Exam Period: Monday December 12th, 1:30 pm to 4:15 pm