

George Mason University
Summer Semester
Macroeconomic Theory
Economics 104

Professor	Dr. Thomas Carl Rustici
Office	James Buchanan Hall Room 162
Hours	ON-LINE
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Class	Macroeconomics 104

This class is entirely on-line. Everything will be conducted through **Blackboard** and regular email. Class lectures are 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: My assistant for this course is Colin Sides. His email where he can be reached throughout the week is csides@gmu.edu. Zoom meeting can be scheduled upon request from your email to Colin.

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 60 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 While this class is on-line, regular viewing of the uploaded videos is absolutely crucial for successful completion of this course. If for any reason regular attendance becomes difficult, please notify the instructor as soon as possible.

As the class begins you will want to keep pace with the readings as they relate to the uploaded video lectures. Exam dates are "Rules of thumb" and not hard and fast dates. As we approach the exam dates I will announce the exact date 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.

IMPORTANT NOTICE: Since this a summer class and shorter in time than a regular semester, the week is different. In every calendar week, you will cover approximately 1 1/2 syllabus weeks listed below.

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 Friday July 28 from 6:00 pm to 8:45 pm.