

VALENCIA COLLEGE
ECO 2013 – Principles of Economics - Macro
Class Policies & Course Syllabus
CRN 17571 / Flex Term Session – 2 Oct 13 to 15 Dec 13
Fall 2013

COURSE DESCRIPTION:

This course teaches students the fundamentals of economic theory focusing on the interrelationship of consumers, producers, government, international trade and banking. Special focus will be placed upon the Classical, Keynesian and Monetary macroeconomic models.

CREDIT HOURS: 3

PREREQUISITES: None

CLASS MEETING ROOM: West Campus, Building 11, rm 348

DAY/TIME: Monday & Wednesday – 15:00 to 17:00

PROFESSOR: J Flattery

OFFICE: West Campus, Bldg 11, Behavioral & Social Sciences Dept.

PHONE: 407-582-1833

EMAIL: jflattery@valenciacollege.edu

OFFICE HOURS:

By appointment

COURSE GUIDE:

Welcome to the study of economics – the “dismal science”. I hope to convince you this descriptor is undeserved...

EDUCATIONAL MATERIALS:

Recommended Text: Chambless, J.A. (2011), An Applied Approach to Macroeconomics (3rd ed.), Dubuque, IA; Kendall Hunt Publishing Company.

AlternativeText: McAfee, R.P (July, 2006): Introduction to Economic Analysis, <http://www.mcafee.cc/Introecon/IEA.pdf> .

AlternativeText: Dilts, D.A. (May, 2006), Introduction to Macroeconomics, <http://new.ipfw.edu/dotAsset/142429.pdf> .

CLASSROOM POLICIES: All academic comportment will follow Valencia College guidelines:

WITHDRAWAL POLICY: WITHDRAWAL Per Valencia Policy 4-07 (Academic Progress, Course Attendance and Grades, and Withdrawals), a student who withdraws from class before the established deadline for a particular term will receive a grade of "W." A student is not permitted to withdraw after the withdrawal deadline of 5 Apr 2013. A faculty member MAY withdraw a student up to the beginning of the final exam period for violation of the class attendance policy. A student who is withdrawn by faculty for violation of the class attendance policy will receive a grade of "W". Any student who withdraws or is withdrawn from a class during a third or subsequent attempt in the same course will be assigned a grade of "F". For a complete policy and procedure overview on Valencia Policy 4-07 please go to:

<http://valenciacollege.edu/generalcounsel/policydetail.cfm?RecordID=75>

EVALUATION:

Tests and Assignments: The course grade will be determined as follows:

<u>Item</u>	<u>Date</u>	<u>Weight</u> (Total = 100)
Mid-Term*	30 Oct 13	30*
Final	11 Dec 13	35
Class Exercises*	21 Oct 13 & 20 Nov 13	30*
Research Project	02 Dec 13	20
Class Participation		15

The sum of these will determine a letter grade as follows:

90 - 100	A
80 – 89.9	B
70 - 79.9	C
60 - 69.9	D
0 - 59.9	F

* Mid-Term and Exercises will make up 30% of course grade, and only your top 2 scores of these 3 course evaluations will be factored into your final grade

** Incomplete grades must be completed within Valencia College guidelines.

Note: The Research Project and Class Exercises are to be submitted by the indicated dates. ***Late submission of assignments must be approved on a case by case basis and they will receive reduced credit.*** The main value of the class exercises is to prepare you for the exams. *Be sure to work through the Class Exercises as we cover the material in class—don't leave them to the last moment!*

Whiteboard and Class Handouts: I will present handouts in class outlining reading assignments and class questions. Announcements, featured readings, exercises, and sample exams will also be included in handouts. Any lecture outlines will not include the graphs: they will be derived in class, so be sure to attend. Additional informational material will be forwarded via e-mail - check your Valencia college e-mail regularly.

Study Strategies: Economics is an analytic subject, so pure memorization may not be sufficient. It is much better to work at understanding the concepts and apply them. To do so, you must:

Attend lectures. This is *vital*, as I add material to what's in the text book and often present things differently. *The exam questions are heavily based on the lectures.*

Review your lecture notes and graphs several times. Make sure you follow every step of the argument. As you read, keep testing yourself, e.g., if the notes discuss a demand increase, ask what happens in the opposite case. You cannot just read passively, but instead have a pencil and paper handy so you can check various steps and reproduce the graphs. Pay particular attention to the Chapter Summary sections and questions.

Solve exercise problems. Do the chapter exercises, and any optional problems suggested in lecture.

Don't fall behind! This is crucial, because later material builds on earlier information. *So please arrange to come visit me at the slightest sign of confusion.*

COURSE TOPICS/AREAS COVERED

(Referenced readings in recommended text – Alternative readings will be provided in class handouts)

“Economics is less about dollars and more about sense” – I hope to elucidate this thought.

A. Economic Overview and Thought

1. **Opportunity Cost, Marginal Analysis, Scarcity, Choice, Socio-Political Framework** (Ch. 1, 2, 3, 4, 5, 6 & 7)

B. Aggregate Supply and Aggregate Demand

1. **Aggregate Demand** - National Income Accounting, Equilibrium Income and Output, Consumption, Income, Investment, Wealth and Lags. Classical, Keynesian and Monetary Models (Ch. 10, 11; & Class Notes - J Flattery)

2. **Aggregate Supply** - Production function, Output and Productivity. (Ch. 11. & Class Notes J Flattery)

C. Monetary Theory and Supply Side Economics

1. **Money and Banking** - Demand for Money, Money Supply Process, Banking Portfolio Theory, Investment Spending and Interest. (Ch. 12 & Notes - J Flattery)
2. **Supply Side Economics** - Milton Friedman, Arthur Laffer, Regonomics, Government Financing and Debt. (Ch. 13 & Class Notes - J Flattery)

D. Unemployment, Inflation and International Trade

1. **Unemployment and Inflation** - CPI, Hyperinflation, Phillips Curve, Okun's Law, Job Creation. (Chapter 10 & Class Notes - J Flattery)
2. **International Trade** - Comparative Advantage, Flexible and Fixed Exchange Rates. (Chapter 14 & Class Notes - J Flattery)

SCHEDULE OF CLASSES

Week

Assignment

- | | |
|-----|---|
| 1.) | Introduction to Economics, Key Assumptions, Key Concept, Key Construct (Ch. 1 & 4) |
| 2.) | Positive v. Normative Economics, Efficiency v. Effectiveness modeling, Factors of Production, Socio-Political Framework (Ch. 2, 3 & 5); Economic Market Structures, Demand Theory (objective function) (Ch. 6 & 8) |
| 3.) | Production Theory (objective function) (Ch. 7); Market Equilibrium, National Income Accounting, Segments of Macro-economy, Real versus Nominal Economic Measures, Inflation, Unemployment, Time preference valuation measures (Ch. 10 & 11) |
| 4.) | Introduction to Classical & Keynesian Economic Model (Ch. 1, 2, 3, 4, 5, 6, 7, 8, 10 & 11 - re-examine chapters and notes). |
| 5.) | Mid Term Exam preparation class & Mid Term Exam |

- 6.) Review of Mid Term, Introduction to Money, Investment and Savings
(Ch. 12)
- 7.) Introduction to Monetarist Economic Model
(Ch. 13 & 14)
- 8.) International Trade Theory, Supply Side Economics (Ch.9)
- 9.) Healthcare, Insurance (Ch. 10, 11, 12) & Thanksgiving Break
- 10.) Advanced development of Classical, Keynesian, Monetarist and Supply Side Economic modeling (Ch. 4, 6, 9, 10, 11, 12, 13, 14 - re-examine chapters and notes).
- 11.) Final Exam preparation class & Final Exam

GOOD LUCK

DISCLAIMER: Changes may be made at the discretion of the instructor (usually in writing).