

# Spring 2019 Syllabus Economics (Econ) 105 Dual Enrollment Course

## INSTRUCTOR OF RECORD

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**TEXTBOOK:** The required textbook is Macroeconomics, Fourth Edition by Paul Krugman and Robin Wells, Worth Publishers, Copyright 2015. Bring textbook and online notes to class every day.

**COURSE DESCRIPTION:** Economics on a national scale: determination of national income, employment level, inflation and impact of policies affecting money supply, interest rates and government programs.

**COURSE OBJECTIVES:** After completing this course, students should be able to:

1. Graph and explain the difference between macro- and microeconomics, the market mechanism, the circular flow diagram, opportunity cost, PPC and CPC, price controls, shortages and surpluses.
2. Graph and explain comparative advantage, trade protection, Keynesian economics, inflation, unemployment, the business cycle, real GDP, price indexes, national income accounting.
3. Graph and explain long run economic growth, savings, investment, the financial system, income and expenditures, aggregate demand and supply, inflationary and recessionary gaps, the multiplier.
4. Graph and explain how gaps are closed using fiscal policy, monetary policy according to Keynes and the Monetarists, the role and measurement of money, interest rates, disinflation and deflation.

**LEARN** is the on-line platform used to complete tests. The log-on procedure is as follows: log onto URL: [learn.unm.edu](http://learn.unm.edu) and enter your net ID and password. Click on your Econ course. A menu will appear on the left side of your screen, click on “Course Information” and then choose syllabus in the center of the screen. For help or instructions on how to submit assignments or view your assignment grades, read the information provided at the following URL: <http://online.unm.edu/help/learn/students/>.

## GRADE PROCEDURES

Students will take four tests on the dates shown on the next page. Each test is worth 15% of the grade and the other 40% comes from assignments given by the high school teachers for a total of 100%. Students may figure the grade at any time by (1) summing their points earned; (2) dividing their points by the total points possible; and (3) checking the chart below without rounding.

## FINAL COURSE GRADES:

Over 98% A+	Over 93% A	Over 90% A-	Over 87% B+	Over 83% B	Over 80% B-
Over 77% C+	Over 73% C	Over 70% C-	Over 67% D+	Over 63% D	Over 60% D-

**MISCELLANEOUS:** (1) UNM-Valencia is an equal access campus and students with documented **disabilities** should contact the instructor and Student Services (925-8560) immediately for assistance. (2) **Algebra** is recommended for this course and free tutoring is available at the Learning Center (925-8900). (3) Students who **cheat**, plagiarize, or copy from other people may be dropped from the course. (4) Classroom **disturbances** may reduce student grades by one letter grade per offense or the student may receive an F in the course. These offenses include but are not limited to: unauthorized electronic devices, tapping, clicking, eating, drinking, texting, ringing, sunglasses, lack of attention, talking out of turn, obstructing other students' views, entering class late, leaving class early, failure to bring textbook to class, failure to complete in-class assignments, and offensive language, dress, or posturing that is generally unacceptable in a college classroom environment.

## Macro Course Schedule

<b>Week of Monday</b>	<b>CHAPTERS TO READ</b>	<b>TESTS</b>
Jan 14	2 Economics, Tradeoffs, and Trade 2 Appendix: Graphs in Economics	
21	3 Supply and Demand 4 Price Controls and Quotas	
28	Test1 – Chapters 2, Appendix 2, 3, and 4	Test1 online on Learn.*
Feb 4	5 International Trade	
11	6 Macroeconomics: the Big Picture	
18	7 GDP & CPI	
25	Test2 – Chapters 5, 6, and 7	Test2 online on Learn.*
Mar 4	8 Unemployment and Inflation	
11	UNM SPRING BREAK	UNM SPRING BREAK
18	9 Long-run Economic Growth	
25	10 Savings, Investment, & the Financial System	
Apr 1	11 Income and Expenditure	
8	Test3 – Chapters 8, 9, 10, and 11	Test3 online on Learn.*
15	12 Aggregate Demand and Supply 13 Fiscal Policy	
22	14 Money, Banking, and the Federal Reserve System 15 Monetary Policy	
22	Test4 – Chapters 12, 13, 14, and 15	Test4 online on Learn.*
May 6	Finals week – no work due	Final Grades Will Be Posted By Saturday Midnight.

\*TESTS will include information from the textbook.

## MACROECONOMICS CHAPTER TOPICS – Krugman/Wells

**INTRODUCTION** – What is Macroeconomics, The invisible hand, the market economy, market failure, scarcity, resources, factor payments, inputs, outputs, the circular flow diagram, and government intervention.

**Chapter 1 – FIRST PRINCIPLES** - (1) Resources are scarce. (2) The real cost of something is what you must give up to get it. (3) ‘How much’ is a decision at the margin. (4) People usually exploit opportunities to make themselves better off. (5) There are gains from trade. (6) Markets move toward equilibrium. (7) Resources should be used as efficiently as possible to achieve society's goals. (8) Markets usually lead to efficiency. (9) When markets don't achieve efficiency, government intervention can improve society's welfare. (10) One person's spending is another person's income. (11) Overall spending sometimes gets out of line with the economy's productive capacity. (12) Government policies can change spending.

**Chapter 2 – ECONOMICS TRADE-OFFS AND TRADE** - choices, opportunity cost, the consumption possibilities curve and frontier, the production possibilities curve and frontier, economic growth, the law of increasing opportunity cost, Appendix: slopes and equations of linear and nonlinear curves.

**Chapter 3 – SUPPLY AND DEMAND** - Competitive markets, the market mechanism, product surplus and shortage, consumer surplus, producer surplus, causes and outcomes of a change in supply or demand.

**Chapter 4 – PRICE CONTROLS & QUOTAS** – why government controls prices, price ceilings, why use them, price floors, why use them, quantity controls, why use them, disadvantages of price and quantity controls.

**Chapter 5 – INTERNATIONAL TRADE** – comparative advantage, the effects of imports and exports on international wages, international trade protection, tariffs, quotas, embargos, and agreements.

**Chapter 6 – MACROECONOMICS: THE BIG PICTURE** – macro versus micro economic questions, Keynesian economics, taming the business cycle with Monetary and Fiscal policies, trade deficits and surpluses.

**Chapter 7 – GDP AND CPI: TRACKING THE MACRO ECONOMY** – the national income and product accounts, the flow of money through the economy, stocks, bonds, disposable income, financial markets, calculating real GDP, value added, GDP per capita, market baskets and price indexes.

**Chapter 8 – UNEMPLOYMENT AND INFLATION** – defining, calculating, and comparing the unemployment and inflation rates, types of unemployment, the natural rate of unemployment, job creation.

**Chapter 9 – LONG-RUN ECONOMIC GROWTH** – international GDP per capita, explaining and accounting for growth, the aggregate production function, diminishing returns, why international growth rates differ.

**Chapter 10 – SAVINGS, INVESTMENT SPENDING, AND THE FINANCIAL SYSTEM** – matching saving with investment, budget surplus and deficits, supply and demand of loanable funds, inflation and interest rates, financial system, financial assets, financial intermediaries, financial price fluctuations’ economic affects.

**Chapter 11 – INCOME AND EXPENDITURE** – the multiplier, the consumption function, the national income accounting equation, full-employment income and output

**Chapter 12 – AGGREGATE DEMAND AND AGGREGATE SUPPLY** – the downward sloping demand curve,  $GDP = C + I + G + (X-M)$ , the wealth and interest rate effects, aggregate demand and income expenditures, shifting the short and long run aggregate supply and demand curves, government policies and aggregate demand, macroeconomic policy.

**Chapter 13 – FISCAL POLICY** – closing the inflationary and recessionary gaps, taxes and the multiplier.

**Chapter 14 – MONEY, BANKING, AND THE FEDERAL RESERVE SYSTEM** – what is money, roles of money, measuring the money supply, what banks do, bank runs, bank regulation, the Fed, 3 money creation tools.

**Chapter 15 – MONETARY POLICY** –opportunity cost of holding money, what 4 things shifts the money demand curve, money and interest rates, the federal funds rate, aggregate demand, monetary policy, income, and expenditure, targeting inflation, short and long run effects of an increase in the money supply on output, prices, and interest rates, Appendix: reconciling interest rates in the short and long run.

**Chapter 16 – INFLATION, DISINFLATION, AND DEFLATION** – the classical model of money and prices, the inflation tax, the logic of hyperinflation, moderate inflation and disinflation, the output gap and the unemployment rate,

the short and long run Phillips curves, inflation expectations, the natural rate of unemployment, the costs of disinflation, deflation, debt deflation, effects of expected deflation.

### **Chapter 17 – Crises and Consequences**

### **Chapter 18 – Macroeconomics: Events and Ideas**

### **Chapter 19 – Open-Economy Macroeconomics**

## **Computer Lab Responsibility**

Please be advised that use of computer labs on UNM properties is governed by “Policy 2500: Acceptable Computer Use” which can be found at <http://policy.unm.edu/university-policies/2000/2500.html>. Food and drink are also prohibited in any computer lab on campus. Anyone violating these policies is subject to possible suspension and loss of computer lab privileges.

## **Title IX**

In an effort to meet obligations under Title IX, UNM faculty, Teaching Assistants, and Graduate Assistants are considered “responsible employees” by the Department of Education (see page 15 – <http://www2.ed.gov/about/offices/list/ocr/docs/qa-201404-title-ix.pdf>). This designation requires that any report of gender discrimination which includes sexual harassment, sexual misconduct and sexual violence made to a faculty member, TA, or GA must be reported to the Title IX Coordinator at the Office of Equal Opportunity ([oeo.unm.edu](http://oeo.unm.edu)). For more information on the campus policy regarding sexual misconduct, see: <https://policy.unm.edu/university-policies/2000/2740.html>

## **UNM Email/Black Board Learn Access**

Beginning fall 2015 semester, all UNM-Valencia students will be required to have a UNM Net ID which can be created by going to: <http://it.unm.edu/accounts/>. UNM Net ID will give you access to the computer labs on campus, blackboard learn and UNM Email. Make sure to update this information as your method of contact under personal information on Lobo Web.