

Spring 2018 Syllabus -- Economics (Econ) 105 -- Section 501 -- CRN 38921

INSTRUCTOR: Dr. Steven Castillo – Email: stevenpc@unm.edu

CLASS MEETINGS: Wednesdays 10:30-11:45 am, Room: VABS 118.

OFFICE HOURS: Wednesdays 10:00-10:30 a.m. in VABS 118

SYLLABUS: Subject to change.

REQUIRED 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 and assignments. Students should log onto Learn to take tests, complete assignments, see the syllabus, print lecture notes, or view lecture videos. The log-on procedure is as follows: log onto URL: 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/>.

THIS IS A HYBRID COURSE which means that students will meet once per week as per the Course Schedule on page 2 and complete work as follows: Four on-line tests at 20% each and ten in-class assignments at 2% each 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

Wednesday 10:30-11:45	CHAPTERS TO READ before class on Wednesday	ASSIGNMENTS
Jan 17	2 Economics, Tradeoffs, and Trade 2 Appendix: Graphs in Economics	
24	3 Supply and Demand 4 Price Controls and Quotas	Videos A-E notes and in-class activities -1
31	Test1 – Chapters 2,Appendix2,3,4 online at 1:00 a.m.-11:59 p.m. Wednesday only	No class this week; Test1 online on Learn.
Feb 7	5 International Trade	Video notes and in-class activities - 2
14	6 Macroeconomics: the Big Picture	Video notes and in-class activities - 3
21	7 GDP & CPI	Video notes and in-class activities - 4
28	Test2 – Chapters 5,6,7 online at 1:00 a.m.-11:59 p.m. Wednesday only	No class this week; Test2 online on Learn.
Mar 7	8 Unemployment and Inflation	Video notes and in-class activities - 5
14	SPRING BREAK	No class this week.
21	9 Long-run Economic Growth	Video notes and in-class activities - 6
28	10 Savings, Investment, & the Financial System	Video notes and in-class activities - 7
Apr 4	11 Income and Expenditure	Video notes and in-class activities - 8
11	Test3 – Chapters 8,9,10,11 online at 1:00 a.m.-11:59 p.m. Wednesday only	No class this week; Test3 online on Learn.
18	12 Aggregate Demand and Supply 13 Fiscal Policy	Video notes and in-class activities - 9
25	14 Money, Banking, and the Federal Reserve System 15 Monetary Policy	Video notes and in-class activities - 10
May 2	Test4 – Chapters 12,13,14,15 online at 1:00 a.m.-11:59 p.m. Wednesday only	No class this week; Test4 online on Learn.
9	Finals week – no Econ class	Final Grades Will Be Posted By Saturday Midnight.

LATE WORK: Specific deadlines are set for each test and in-class assignment and no late work is accepted. **TESTS** will include information from the textbook, videos, lecture notes, and in-class activities.

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). 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.