

Principles of Macroeconomics Winter 2012 Econ 202, Sec. 003, CRN 41037 TTh 6:40-8:30 Econ Dept Office: 241 CH, (503) 725-3915 11/27/2011	Instructor: Fred Keast Phone: (503) 244-6618 f.keast@comcast.net Ofc: Tues. & Thurs. 5:45 - 6:15 in SMC cafeteria, and by appt.	Required Readings: Macroeconomics 10th Ed. By Karl E. Case, Ray C. Fair & Claudia K. Osteen, Pearson Prentice-Hall. Copies are available in the Reserved Book Room of the PSU Library	Recommended Readings: Wall Street Journal USA Today (Money) 1 of either per week Economist	Grading: The five best quizzes @ 10% Total. 7 Article Summaries @ 1.43% each (See Reverse and attachment) Mid-Term Examination @ 35% Final Examination @ 45%
--	--	--	---	---

PSU Weather Update: Students and staff may call PSU Information at 503.725.3000 or www.pdx.edu.

Week	Date	Module	Chapter	Topic	Comments	Summary Due
1	1/10/12	Introduction	1, 2	Introduction to Economics	Ch. 2: Pgs 30-31, don't focus on mathematical discussion of Comparative Advantage.	
	1/12/12		5, 6	Introduction to Microeconomics, Measuring National Output and Income	Demand, Supply, Equilibrium. Just skim Ch. 4 -we won't stress it, but it's good general information to have.	
2	1/17/12		6, 7	Measuring National Output and National Income, Unemployment, Inflation, Long Term Growth	Important - GDP is a key concept. Skip Pgs. 115 - 117. We'll address real and nominal valuation at around this point in the class based on material presented	
	1/19/12		8	Aggregate Expenditure and Equilibrium Output	Worth concerted attention. We'll elaborate on these points throughout the course.	X
3	1/24/12	The Goods and Services Market	9	The Government and Fiscal Policy	Very important. An introduction to the Goods and Services Market	
	1/26/12		10	Money Supply	Very important. Fiscal Policy: Governmental Policy re: taxation and expenditures.	X
4	1/31/12	The Money Market	11	The Money Supply and the Federal Reserve System,	Very important. Monetary Policy: With Fiscal Policy, the second set of tools for influencing an economy. Skim only - Monetary Policy since 1990, Fiscal Policy Since 1990	
	2/2/12		11, Review	Money Demand and the Equilibrium Interest Rate	How do events in the money and goods and services markets influence one another. We'll address interest rate structures at around this point in the class.	X
5	2/7/12	Exam	1-11	MID-TERM EXAMINATION	See Examination Guidelines on the reverse side of the page	
	2/9/12	Goods and Services Market - Plus Price Level	Review, 12	Exam Review, Aggregate Demand in the Goods & Money Mkts.		
2/14/12	12		Aggregate Demand in the Goods and Money Markets	Very important. A different take on the Goods and Services Market - addresses inflation. Question:		
6	2/16/12		13	Aggregate Supply and the Equilibrium Price Level		X
	2/21/12	Issues	14	Labor Market in the Macroeconomy	Adding depth.	
2/23/12	15		Policy Timing, Deficit Targeting, Stock Market Effects	We'll address exchange rates at about this point in the class.	X	
8	2/28/12		15, 16	Household and Firm Behavior: A Further Look	Reinements of earlier discussion	
	3/1/12		17, 18	Long-Run Growth, Debates in Macroeconomics	The book focuses on the U.S., but provides insights for other economies as well.	X
9	3/6/12		18, 19	Debates in Macroeconomics, International Trade	The quantity theory of money is a widely held way of looking at the macroeconomy.	
	3/8/12	International	19, 20	International Trade, Comparative Advantage, and Open-Economy Macroeconomics	Ties in well with coverage in the popular press	X
10	3/13/12		20, 21	Open-Economy Macroeconomics, Economic Growth/Developing Countries	Very important. These materials could scarcely be more timely. Read 19 and 20 closely. A light read of 21 should suffice.	
	3/15/12		21, Review	Open Economy Macroeconomics, Economic Growth in Developing and Transitional Economies		
	3/20/12	Exam	1-21	FINAL EXAM: NOTE THE EXAMINATION TIME - 7:30-9:20 PM. IN OUR-NORMAL-CLASS ROOM.	See Examination Guidelines on the reverse side of the page	

General Class Session Structure: Subject to flexibility as appropriate

1. Before class: Students to complete assigned reading
2. Class starts at 6:40 **sharp**
3. Current events for a few minutes: Everyone should prepare to participate in this discussion
4. Questions re: reading assignment: to be asked by students and, if there are no student questions, Fred
5. Class presentation: May or may not directly address readings
6. Unscheduled quizzes may occur at any time
7. Class will end no later than 8:30 sharp.

A few good on-line data sources:

1. Federal Reserve: <http://www.federalreserve.gov/>
2. Federal Reserve - Data: <http://research.stlouisfed.org/fred2/>
3. Bureau of Economic Analysis: <http://bea.gov/>
4. Census Bureau: <http://www.census.gov/>
5. Bureau of Labor Statistics: <http://www.bls.gov/>
6. Bureau of Labor Statistics Current Population Survey: <http://www.bls.gov/cps/home.htm>

Guidelines for Classroom Participation:

1. Complete readings prior to class. We'll spend quite a lot of time in class discussing related topics, and I will assume that you have read the book's coverage of its materials.
2. No roll will be taken. Students are invited to attend class regularly and to participate fully in classroom discussion.
3. Classroom discussion is the best learning tool we have available. Participate actively and thoughtfully.
4. Questions are also a powerful tool: please use the technique regularly. You can bet that if you have a question most everyone else does too Wikipedia is a good source of definitions, overviews
5. Whether in attendance or not, students will be responsible for awareness of subject matter and administrative announcements discussed in class.

Guidelines for Examinations:

1. You'll have the complete class period to work with.
2. Books, notes and other aides may not be used during examinations.
3. Please bring a Scantron (Form No. 882-E), calculator, #2 pencils and a good eraser.
4. Please keep cell phones and other communication devices in storage. They may not be used - even as a calculator - while you are taking the examination.
5. When you conclude the exam, 1) return your Scantron to me at the front table, 2) keep your exam, and 3) take an answer key.
6. You may ask questions. Come to the front of the room and we will adjourn to the hallway to discuss your question.
7. I will presume that you are aware of current events, and will likely base a number each exam's questions on relevant current events.
8. The Final Examination will cover all course work. It is reasonable to expect that a substantial proportion of material will address subject matter also addressed in the Mid-Term Examination.
9. If you have a competing priority that bars your participation in exams at the scheduled time, let me know. I am open to scheduling alternative test times through the PSU testing service, which provides proctoring services on a "space available" basis. There will be a \$10 charge to you for this service. The Testing Service's web site is at http://testing.pdx.edu/proctoring_psu_exams.php I will rely on you to make the scheduling arrangements.

Guidelines for Article Summaries:

1. Summaries will be due 1/19, 1/26, 2/2, 2/16, 2/23, 3/1 and 3/8 but I will accept them up to 7 days prior to their due date. **Please note that I won't accept summaries after they are due unless you have made prior arrangements with me.**
2. Please forward to me at my e-mail address at work - fred.keast@pacificorp.com. **In the subject line, please note "Summary due X/X"**
3. Generally, I'm looking for a brief (1 page or less) summary of a news article from an on-line or printed source.
4. At a minimum you should include:
 - Your name, and title, source and date of the article.
 - Very brief overview of the article. (I see this as requiring only one or two sentences but can be longer if you'd like).
 - Your interpretation of the article's content. (Another one or two sentences).
 - What effect might this article's subject matter have on GDP, money supply, inflation, unemployment or other macroeconomic measure of your choice? (A sentence or two).**VERY IMPORTANTLY, beginning with the 1/26 summary, explain the event and potential outcomes using terminology and concepts used in class readings and discussion (one or two sentences). Please employ terminology used in the text and in class.**
5. The news magazines, the Wall Street Journal, USA Today, the Economist, the Oregonian and many on-line resources as Yahoo Finance are among the many good sources of articles. **If the U.S. isn't your home country, I am comfortable with your using sources from your home. Please provide me with links to on-line articles or footnote your sources as you would a U.S. source.**

Guidelines for Quizzes:

1. 7 or 8 unannounced quizzes will be presented for your participation.
2. Missed quizzes cannot be made up, but copies can be requested as study aids.
3. Your best 5 quiz scores will be used in grading.

Grading:

1. Examinations will be graded on a curve derived from class performance on the examination.
2. Quizzes and articles will be graded on the following basis: 90%-100% = A, 80%-89.99% = B, 70%-79.99% = C, 60% - 69.99% = D

Additional Subject Matter

In unscheduled discussion we will address the following topics, which may be addressed in examinations.

1. Conversion of nominal prices to real prices through use of the Consumer Price Index
2. Exchange Rates
3. Interest rate structure.
4. Current events.