

Principles of Macroeconomics Fall 2009 Econ 202, Sec. 005, CRN 10954 TTh 6:40-8:30, NH 462 Econ Dept Office: 241 CH, (503) 725-3914	Instructor: Fred Keast Phone: (503) 813-5954 fred.keast@pacificorp.com Ofc: TTh, 6:00-6:30 in SMC cafeteria, and by appt.	Required Readings: Macroeconomics, 9th Ed., by Karl E. Case, Ray C. Fair and Claudia K. Osteen, Pearson-Prentice-Hall. It's worth the extra money to get this edition rather than an earlier one.	Strongly Recommended: 1 Wall Street Journal per week or 1 USA Today (Money section) per week. Also, Wikipedia is generally a good resource	Grading: The five best quizzes @ 10% Total. 7 Article Summaries @ 1.43% each (See Reverse and attachment) Mid-Term Examination @ 35% Final Examination @ 45%
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9/19/2009

PSU Weather Update: Students and staff may call PSU Information at 503.725.3000

Week	Date	Module	Chapter	Topic	Comments	Summary Due
1	9/29/09	Introduction	1 - 2	Introduction to Economics	Ch. 2: Pgs 30-31, don't focus on mathematical discussion of Comparative Advantage.	
	10/1/09		3, 4, 5	Introduction to Microeconomics, Macroeconomics	Demand, Supply, Equilibrium. Just skim Ch. 4 - we won't dwell on it.	
2	10/6/09		6	Measuring National Output and National Income	VERY IMPORTANT - GDP is a key concept. Skip Pg. 122 ("Calc. Real GDP") to Pg. 125	
	10/8/09		7	Unemployment, Inflation and Long-Run Growth	Very much in the news.	X
3	10/13/09	The Goods and Services Market	8	Aggregate Expenditure and Equilibrium Output	VERY IMPORTANT - Modeling the Goods and Services Market	
	10/15/09		9	The Government and Fiscal Policy	Fiscal Policy: Governmental Policy concerning taxation and expenditures.	X
4	10/20/09	The Money Market	10	The Money Supply and the Federal Reserve System	Monetary Policy: With Fiscal Policy, the second other body of tools for influencing an econ	
	10/22/09		11	Money Demand and the Equilibrium Interest Rate	How do events in the money and goods and services markets influence one another.	X
5	10/27/09		11	Money Demand. . . , and Review	General Review, including sample exams and any questions that you may have	
	10/29/09	Exam	1-11	Mid-Term Examination	See Examination Guidelines on the reverse side of the page	
6	11/3/09	Goods and Services Market - Plus Price Level	12	Mid-Term Review, Aggregate Demand in the Goods and Money Mkt	VERY IMPORTANT - A different way of assessing the Goods and Services Market, and which permits assessment of price impacts. How does this model relate to that of Chap. 8? Introduce inflation. Do not focus on IS-LM analysis in the Chap. 12 Appendix.	X
	11/5/09		12, 13	Aggregate Supply and the Equilibrium Price Level		
7	11/10/09		13, 14	Labor Market in the Macroeconomy	Skip Nonaccelerating Inflation Rate of Unemployment (Pages 272-274)	
	11/12/09	Issues	14, 15	Policy Timing, Deficit Targeting and Stock Market Effects	Deemphasize Deficit Targeting	X
8	11/17/09		15, 16, 17	Household and Firm Behavior, Long-Run Growth	The book focuses on the U.S., but provides insights for other economies as well.	
	11/19/09		17, 18	Long-Run Growth, Debates in Macroeconomics	The quantity theory of money is a widely held way of looking at the macroeconomy.	X
9	11/24/09	International	19	International Trade, Comparative Advantage and Protectionism	Deemphasize mathematical discussion of Comparative Advantage.	
	11/26/09			THANKSGIVING HOLIDAY	Enjoy your holiday	
10	12/1/09		20	Open-Economy Macroeconomics	The effects of international trade - adds a lot of realism to the models we've been covering	X
	12/3/09	21	Economic Growth in Developing and Transitional Economies	We'll probably do some catching up here. Read Chapter 21, but de-emphasize.		
	12/8/09	NH 462	1-21	NOTE: THE EXAM WILL RUN FROM 7:30 - 9:20	See Examination Guidelines on the reverse side of the page	

Goals:

1. Develop a working knowledge of macroeconomic principles that will enable knowledgeable analysis of current issues, events and initiatives.
2. Have a good time in the process.

Guidelines for Classroom Participation:

1. No roll will be taken. Students are invited to attend class regularly and to participate fully in classroom discussion.
2. **Readings should be completed prior to class.**
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.
5. **Students will be responsible for awareness of subject matter and administrative announcements disseminated in class.**

Guidelines for Examinations:

1. You'll have the complete class period to work with.
2. Please bring a Scantron (Form No. 882-E), calculator, #2 pencils and a good eraser.
3. 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.
4. 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.
5. You may ask questions. Come to the front of the room and we will adjourn to the hallway to discuss your question.
6. I will presume that you are aware of current events, and will likely base a number each exam's questions on relevant current events.
7. 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.
8. 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. 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.

Guidelines for Article Summaries:

1. Summaries are due 10/8, 10/15, 10/22, 11/5, 11/12, 11/19 and 12/1 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 as noted on the reverse side of this syllabus. **In the subject line, please note "Article due X/XX/09".**
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).
 - 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, or any other macroeconomic condition? (A sentence or two).The idea here is for you to apply macroeconomic concepts and tools to current events. Please make it a point to achieve this goal with each of your summaries.
VERY IMPORTANTLY, beginning with the 10/15 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. It is OK to be incorrect in this, but it is not OK to ignore the requirement.
5. The news magazines, the Wall Street Journal, USA Today, the Oregonian and such on-line resources as Yahoo Finance are among the many good sources of articles.
6. Please see the attached example.



Guidelines for Quizzes:

1. 7 or 8 unannounced quizzes will be presented for your consideration.
2. Missed quizzes cannot be made up, but copies can be requested for study.
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.