

IVY TECH COMMUNITY COLLEGE, NORTHEAST
ECON 201-20C PRINCIPLES OF MACROECONOMICS
FALL 2014 SYLLABUS
Thursdays, 9:30-12:20, CC1360

INSTRUCTOR: Matthew Fisher
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OFFICE LOCATION: CC2319
OFFICE HOURS: M: 1:00-2:00; T: 9:00-12:00; W: 9:00-1:00
COURSE FORMAT: Face to face
SCHOOL: Liberal Arts & Sciences
PROGRAM: Liberal Arts
DATE OF LAST REVISION: Spring 2014
EFFECTIVE DATE OF THIS REVISION: Fall 2014
CONTACT/CREDIT HOURS: 3

PREREQUISITES

ENGL 111 English Composition and demonstrated competency through appropriate assessment or earning a grade of “C” or better in MATH 023 Essentials of Algebra I or MATH 080 Mathematics Principles with Algebra

PURPOSE

The overall purpose of all college courses is to develop an educated mind. An educated mind has the following abilities:

- The ability to concentrate on an idea or problem
- The ability to see the implications of ideas
- The ability to see commonality in various situations and to use analogies
- The ability to see differences
- The ability to think logically
- The ability to compare thoughts and ideas with reality and to recognize the influence of emotions and prior agendas
- The ability to use the imagination

CATALOG DESCRIPTION

A descriptive and analytical study of fundamental concepts of national economics. It includes an analysis of the determination and fluctuations in national income and employment, monetary and fiscal policy, and international trade and finance. Economic analysis of monetary and fiscal policies is stressed.

MAJOR COURSE LEARNING OBJECTIVES

Upon successful completion of this course the student will be expected to:

1. Describe and discuss alternative measures of macroeconomics performance and their limitations.
2. Demonstrate how supply and demand interact to determine market prices.

3. Demonstrate how the tools of aggregate demand and aggregate supply are used to determine macroeconomics equilibrium.
4. Describe the nature, creation, and valuation of money within the macroeconomy.
5. Describe and evaluate the dynamics and effectiveness of fiscal and monetary policy.
6. Describe the basis of, and gains from, international trade.
7. Analyze the consequences of trade for international financial flows.
8. Compare and contrast various schools of thought with regard to monetary and fiscal policy.

COURSE CONTENT:

Topical areas of study include -

Income analysis	Components of a market economy
Monetary policy	Fiscal policy
Unemployment	Federal Reserve Banking System
Production	Gross domestic product
Deflation	Macroeconomic equilibrium
Business cycles	Keynesian School
Chicago School	Austrian School
Exchange rate	Balance of payment analysis
Interest rates	Capital accumulation
Multiplier effects	Nominal and real value
Money	Growth and productivity

REQUIRED TEXTBOOKS

McConnell, Brue and Flynn, *Macroeconomics*, 20th edition, 2014, New York, NY: McGraw-Hill Education.

Hazlitt, *Economics in One Lesson* (any edition). Available free at:

www.fee.org/pdf/books/Economics_in_one_lesson.pdf

mises.org/books/economics_in_one_lesson_hazlitt.pdf

www.hacer.org/pdf/Hazlitt00.pdf

COURSE REQUIREMENTS

Quizzes: There will be six multiple choice and true/false quizzes, each of which will be derived exclusively from the course texts (*Macroeconomics* and *Economics in One Lesson*) as well as any assigned readings. Each quiz will count for 5% of the final grade. Quizzes cannot be made up. See the course calendar below for reading assignments and dates. The sixth quiz will be counted as extra credit.

Exams: There will be a midterm and a final in this course. Each will be derived from lecture as well as any assigned readings specified by your instructor. The midterm and final will each count for 25% of the final grade. The final will cover only material introduced after the midterm (i.e. the final is **not** cumulative). Exams cannot be made up.

Writing Assignments: There will be six writing assignments. Each writing assignment will count for 5% of your final grade. An individual writing assignment will total at least one page of double spaced, 12 point standard font. The first half of your paper should be a short summary of the main points of the reading assignment while the second half should be **your**

own reflection on the author’s argument. Feel free to disagree with the readings but be sure to explain why; always back up your claims with thoughtful arguments! Please note that the “one page” length is a *minimum*; if you need more space please feel free turn in a longer paper. Finally, you must submit your writing assignment on or prior to its due date; **absolutely no late papers will be accepted!** See the course calendar below for reading assignments and due dates. The sixth writing assignment will be counted as extra credit.

Note well:

1. Incompletes will **NOT** be awarded in this class. Please submit all of your work and do so on time! Moreover, submit *your own* work. Plagiarism will not be tolerated.
2. While handouts (syllabus, study guides, outline, etc), textbooks and computer printed notes are **not** permitted during quizzes and exams, all quizzes and exams are **open note** (i.e. only your own **hand written** notes are acceptable to have with you during a quiz or an exam). If you have any questions about this policy and/or what is permissible during an assessment please contact your instructor well in advance of the quiz/exam date.

COURSE CALENDAR

Note: Lecture material schedule subject to adjustment

Week 1: 8-28
Lecture: What is Economics?
Week 2: 9-4
Lecture: What is Economics Continued; Introduction to the Division of Labor
Quiz One: MBF: ch. 1 “Limits, Alternatives and Choices,” ch. 2 “The Market System and the Circular Flow,” and Hazlitt: “The Lesson,” “The Broken Window,” and “The ‘Blessings’ of Destruction”
Week 3: 9-11
Lecture: The Division of Labor: Specialization, Exchange, Trends
Writing Assignment One: Read, “I, Pencil”
http://www.econlib.org/library/Essays/rdPnc1.html
Week 4: 9-19
Lecture: Finishing the Division of Labor; Supply and Demand
Quiz Two: MBF: ch. 3 “Demand, Supply and Market Equilibrium,” and Hazlitt: “How the Price System Works”
Week 5: 9-25
Lecture: The Origin, Definition and Function of Money; Introduction to Banking; Inflation and Real vs. Nominal Changes
Writing Assignment Two: Henderson, “The German Economic Miracle”
http://www.econlib.org/library/Enc/GermanEconomicMiracle.html

Week 6: 10-2
Lecture: Finishing Money; Introduction to Banking
Quiz Three: MBF: ch. 14 "Money and Banking," ch. 15 "Money Creation," and Hazlitt: "The Mirage of Inflation"
Week 7: 10-9
Prep Reading: MBF: ch. 6 "An Introduction to Macroeconomics"
Lecture: Introduction to Keynes and the Circular Flow Model
Writing Assignment Three: Biography of John Maynard Keynes http://www.econlib.org/library/Enc/bios/Keynes.html
Week 8: 10-16
Midterm
Week 9: 10-23
Prep Reading: Browse MBF: ch. 7 "Business Cycles, Unemployment and Inflation"
Lecture: The Keynesian System; The Interest Rate as a Policy Tool
Quiz Four: MBF: ch. 10 "Basic Macroeconomic Relationships," and ch. 16 "Interest Rates and Monetary Policy"
Week 10: 10-30
Lecture: The Keynesian Cross and Fiscal Policy
Writing Assignment Four: Garrison, "The Trouble with Keynes" http://www.auburn.edu/~garriro/fk7trouble.htm
Week 11: 11-6
Lecture: The Monetarist Response: Rules vs. Discretion
Quiz Five: MBF: ch. 11 "Aggregate Expenditure Model," ch. 13 "Fiscal Policy" and Hazlitt: "The Fetish of Full Employment"
Week 12: 11-13
Lecture: Saving, Investment and Economic Growth
Writing Assignment Five: Mises, "The Economic Role of Saving and Capital Goods" http://mises.org/efandi/ch4.asp
Week 13: 11-20
Lecture: The Mises-Hayek Theory of the Business Cycle
Quiz Six: MBF: ch. 8 "Economic Growth" and Hazlitt: "The Assault on Saving" and "The Function of Profits"
Week 14: No Class 11-27 (Thanksgiving Break)

Week 15: 12-4
Lecture: Leading Economic Indicators; The Yield Curve
Writing Assignment Six: Horwitz, “The Parable of the Broken Traffic Lights” http://www.fcc.org/the_freeman/detail/the-parable-of-the-broken-traffic-lights

Week 16: 12-11
Lecture: Economic Inequality. Final Exam Review.

Week 16: 12-18
Final Exam
Assigned Reading for Final Exam: Carden: “Anatomy of a Credit-Induced Boom-and-Bust Cycle” and Ebeling: "Lawrence Klein: Keynesian Economist Who Wanted to Sidestep the Constitution"
http://www.depositaccounts.com/blog/anatomy-of-a-creditinduced-boomandbust-cycle.html
http://thinkmarkets.wordpress.com/2013/10/24/lawrence-klein-keynesian-economist-who-wanted-to-sidestep-the-constitution/

POINTS WORK SHEET

This work sheet is provided for you to assess your progress in this course.

Quiz 1		Of 5
Writing Assign. 1		Of 5
Quiz 2		Of 5
Writing Assign. 2		Of 5
Quiz 3		Of 5
Writing Assign. 3		Of 5
Midterm		Of 25
Quiz 4		Of 5
Writing Assign. 4		Of 5
Quiz 5		Of 5
Writing Assign. 5		Of 5
Extra Credit Quiz		Of 5
Extra Credit Writing Assign.		Of 5
Final Exam		Of 25
TOTAL		Of 100

HOW TO ACCESS THE IVY TECH COMMUNITY COLLEGE LIBRARY

The Ivy Tech Library is available to students’ on- and off-campus, offering full text journals and books and other resources essential for course assignments. Go to <http://www.ivytech.edu/library/> and choose the link for your campus.

ACADEMIC HONESTY STATEMENT

The College is committed to academic integrity in all its practices. The faculty value intellectual integrity and a high standard of academic conduct. Activities that violate academic integrity undermine the quality and diminish the value of educational achievement.

Cheating on papers, tests, or other academic works is a violation of College rules. No student shall engage in behavior that, in the judgment of the instructor of the class, may be construed as cheating. This may include, but is not limited to, plagiarism or other forms of academic dishonesty such as the acquisition without permission of tests or other academic materials and/or distribution of these materials and other academic work. This includes students who aid and abet as well as those who attempt such behavior.

COPYRIGHT STATEMENT

Students shall adhere to the laws governing the use of copyrighted materials. They must ensure that their activities comply with fair use and in no way infringe upon the copyright or other proprietary rights of others and that the materials used and developed at Ivy Tech Community College contain nothing unlawful, unethical, or libelous and do not constitute any violation of any right of privacy.

ADA STATEMENT

Ivy Tech Community College seeks to provide reasonable accommodations for qualified individuals with documented disabilities. If you need an accommodation because of a documented disability, please contact the Office of Disability Support Services.

If you will require assistance during an emergency evacuation, notify your instructor immediately. Look for evacuation procedures posted in your classrooms.

COMMUNICATION

It is expected that all communication with the instructor and with fellow students will be conducted with civility and respect. Persons who disrupt the class will be asked to leave.

If you feel that you have any concerns regarding the course (for example, you feel that you are not succeeding in the course or are confused about an assignment), speak with the instructor as soon as possible.

EXPECTATIONS

Since this is a college-level class, it is expected that you will take a pro-active approach to your studies. Your success in class—and throughout your higher education career—depends on the effort which you devote to your studies. Completion of all assigned readings and assignments, and active participation are extremely important for success in this course.

RIGHT OF REVISION

Factors beyond control of the instructor may require amendment of the course syllabus.

Ivy Tech Growing Greener. Ivy Tech Community College–Northeast is committed to the development and implementation of a comprehensive sustainability plan. We’re emphasizing our responsibility to go green. To that end, we are asking students, faculty, and staff to actively participate in energy conservation measures and proper recycling on campus. The recycling bins located in classrooms and offices are for paper and paper products only. Ivy Tech participates in single-stream recycling for other items. All aluminum, glass, and plastic beverage containers can co-mingle in the same recycling bins located in the hallways. Please remember to empty the liquid from your containers before depositing them in the bins. Any materials that cannot be recycled should be placed in garbage cans. It is also important to turn off lights and computers when leaving a room. Together, we can make an impact on conserving our limited resources. Remember to reduce, reuse, and recycle!

Breathe easy. Ivy Tech–Northeast is committed to providing a healthy, comfortable and productive environment for the students, faculty and staff of this campus. The use or sale of any tobacco product is prohibited on college-owned, operated, or leased property or vehicles at any time. The policy applied to all Ivy Tech–Northeast facilities and grounds, regardless of location. Smoking, including the use of an e-cigarette, shall not be permitted in any enclosed space and is also prohibited outdoors on all college campus property, including parking lots. This policy applies to all students, faculty, staff and visitors. Tickets and fines will be issued to violators

“I am convinced that if the price system were the result of deliberate human design, and if the people guided by the price changes understood that their decisions have significance far beyond their immediate aim, this mechanism would have been acclaimed as one of the greatest triumphs of the human mind.”

- Friedrich Hayek