



**Principles of Macroeconomics**  
**(ECON 002)**  
**Section #0907**  
**Fall 2014**

Instructor : Dr. Meric Keskinel  
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Course website : <http://myetudes.org>  
Office Hours : MW, 7:30am – 9:30am, General Classroom Building 380 G  
W, 8:00pm – 9:00pm and F, 11:00am – 12:00pm. (Etudes NG  
Chatroom),

**Prerequisite:** Elementary Algebra (Math 115)

**Catalog Course Description**

This course is an introduction to the field of macroeconomics. Topics to be analyzed include an analysis of the behavior of the national economy as a whole, together with such issues as the determination of gross domestic product, the unemployment rate, the inflation rate, interest rates, and the long-term economic growth rate. In addition, global issues such as the role of the exchange rate and the balance of trade are analyzed.

**Introduction**

Macroeconomics is concerned with the economy as a whole and the relationships between broad economic indicators. The course will cover the aggregate economy: GDP, inflation, business cycles, unemployment, fiscal and monetary policies, economic growth, productivity, and the federal deficit.

The tools of macroeconomic analysis will be developed and applied to national economic problems facing the U.S. and other market-oriented economies. Contemporary macroeconomic problems including concern about the economy moving into a recession, economic growth rates, inflation, consumer spending and personal saving, fiscal policy, monetary policy, national debt and deficits, unemployment rates, international value of the dollar, and trade deficits will be discussed. Understanding underlying economic issues, economic policies and their probable consequences is a focal point of this course.

## Course SLOs

- Collect, analyze, and interpret the data on GDP, price level, and unemployment rate.
- Use the aggregate demand (AD) – aggregate supply (AS) model to predict short-run changes and long-run trends in prices, output, and employment.
- Explain the role of the Federal Reserve System in the US economy and describe the major tools of monetary policy.

## Required Materials

Required Text: William A. McEachern, *ECON Macro, Student Fourth edition*, Cengage, 2014. ISBN: 9781285423623. The textbook will be on two-hour, overnight, and 3 day reserve in the library. (The third edition of the textbook is OK.)

Online purchase option: [www.cengagebrain.com](http://www.cengagebrain.com)

Optional Materials: Students are encouraged to read the *Wall Street Journal*, *Financial Times*, *The Economist* or *Business Week* to keep current on economic issues.

## Grading Scale

Range	Grade
90 - 100 %	A
80 - 89 %	B
70 - 79 %	C
60 - 69 %	D
Below 59%	F

## Methods of Evaluation

Your grade will be based on your top two midterms, a final exam, and homework assignments. Weight of each evaluation component is as follows:

Top 2 Midterm Exams	50% (each 25%)
Homework Assignments	20%
Final Exam	30%
<b>Total</b>	<b>100%</b>

Assessments	Points
Top 2 Midterms (The lowest of the 3 midterms will be dropped)	150 points
Assignments	120 points
Final Exam	180 points
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Total points possible:	600 points

### Exams and Make up Policy:

The exams will be based on readings from the textbook and lectures. The exams consist of multiple choice, problem solving, graphs, and short answer questions. All exams are closed book and closed notes. There will be no *make-up exams*, with the only exception being an emergency with sufficient and adequate documentation to prove it.

## **College Policies and Standards**

### **Academic Integrity (Plagiarism)**

In accordance with code 9803.28, academic dishonesty is prohibited and will not be tolerated in this class. Violations of academic integrity include, but are not limited to, the following actions: cheating on an exam, plagiarism, working together on an assignment, paper or project when the instructor has specifically stated students should not do so, submitting the same term paper to more than one instructor, or allowing another individual to assume one's identity for the purpose of enhancing one's grade. Academic dishonesty of any type, such as cheating or knowingly furnishing false information, by a student provides grounds for disciplinary action by the instructor or college. In written work, no material may be copied from another without proper quotation marks, footnotes, or appropriate documentation. Plagiarism will result in a zero for the assignment, possible dismissal from the class and disciplinary action from the college. You will not receive credit for any essay missing previous drafts, citations and/or a Works Cited page.

### **Student Conduct**

According to code 9803.15, disruption of classes or college activities is prohibited and will not be tolerated. Refer to the catalog and the Standards of Student Conduct in the Schedule of Classes for more information.

### **Recording Devices**

State law in California prohibits the use of any electronic listening or recording device in a classroom without prior consent of the instructor and college administration. Any student who needs to use electronic aids must secure the consent of the instructor. If the instructor agrees to the request, a notice of consent must be forwarded to the Vice President of Academic Affairs for approval (WLAC College Catalog).

For more information refer to the attached link:

[http://www.wlac.edu/academics/pdf/WLAC\\_12-14Catalog\\_Policies.pdf](http://www.wlac.edu/academics/pdf/WLAC_12-14Catalog_Policies.pdf)

### **Office of Disabled Student Programs and Services (DSP&S)**

Student Services Building (SSB) 320 | (310) 287-4450.

West Los Angeles College recognizes and welcomes its responsibility to provide an equal educational opportunity to all disabled individuals. The Office of Disabled Students Programs and Services (DSP&S) has been established to provide support services for all verified disabled students pursuing a college education. DSP&S students may qualify for: priority registration, registration assistance, special parking permits, sign language interpreters and assistive technology (WLAC College Catalog).

## **Instructional Support (Tutoring) & Learning Skills Center**

Heldman Learning Resources Center (HLRC) | (310) 287-4486

Improve your reading, language, vocabulary, spelling, math fundamentals and chemistry knowledge with convenient, self-paced computer-aided courses in the Learning Skills Center. Increase your knowledge and learning success: sign up for tutoring in various college subjects (WLAC College Catalog).

## **Library Services**

Heldman Learning Resources Center (HLRC) | (310) 287-4269 & (310) 287-4486

The WLAC Library provides instruction on how to use the online catalog, periodical and research databases. In addition to a large collection of books, periodicals and videos the WLAC Library has course textbooks which students may use while in the Library. Web access is available in LIRL as well as meeting rooms. The upper floors provide a beautiful view ideal for study (WLAC College Catalog).

For more information refer to attached link:

[http://www.wlac.edu/academics/pdf/WLAC\\_12-14Catalog\\_Policies.pdf](http://www.wlac.edu/academics/pdf/WLAC_12-14Catalog_Policies.pdf)

## **Detailed Course Schedule and Course Objectives**

### **Week 1**

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*Part 1: Introduction to Economics.*

1. The Art and Science of Economic Analysis.
2. Economic Tools and Economic Systems.

*Topics: Types of economic resources; the principle of efficient allocation of scarce resources to current economic issues; the importance of full employment and full production; a production possibilities frontier.*

### **Week 2**

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3. Economic Decision Makers.

*Topics: The rise of US agriculture, including its successes and problems; identify key issues in the current US economy, a circular flow diagram, the major revenue sources and expenditure categories of the federal, state, and local governments; average and marginal tax rates; types of taxes collected in the US.*

### **Week 3**

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4. Demand, Supply, and Markets.

*Topics: the price mechanism, and competition, the demand curve; the supply curve; equilibrium, shortages, and surpluses in a supply and demand diagram; shifts in supply and demand and the significance of these shifts; reasons for changes in demand and supply; changes in equilibrium quantity and price.*

### **Week 4**

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*Part 2: Fundamentals of Macroeconomics.*

5. Introduction to Macroeconomics.

*Topics: Key events in US economic history*

Week 5

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6. Tracking the US Economy

*Topics: Components of GDP; the total expenditure line; the expenditure and flow-of-income approaches used to measure GDP; real GDP and per capita GDP; the shortcomings in measuring GDP.*

Week 6

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7. Unemployment and Inflation.

*Topics: The unemployment rate and the inflation rate; types of unemployment; problems in the current measures of unemployment and inflation; the causes of inflation.*

Week 7

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8. Productivity and Growth.

*Topics: The history of U.S. industrialization, productivity, and the standard of living; the meaning of productivity growth; the factors affecting US productivity growth and the arguments about their relative importance.*

Week 8

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9. Aggregate Expenditure and Aggregate Demand.

*Topics: Consumption, savings, disposable income, autonomous and induced consumption; the consumption and savings function; the effect of each determinant of consumption.*

Week 9

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10. Aggregate Supply.

*Topics: The logic of Say's Law; aggregate supply diagram; the short-run and long-run aggregate supply curves.*

Week 10

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11. Fiscal Policy

*Topics: The Keynesian critique of the classical system; the Keynesian policy prescriptions; a deflationary gap and inflationary gap on an aggregate expenditures diagram; the multiplier and its significance; automatic stabilizers.*

Week 11

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*Part 3: Fiscal and Monetary Policy.*

12. Federal Budgets and Public Policy

*Topics: The federal deficit and the debt.*

Week 12

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13. Money and the Financial System

*Topics: The origins of the US banking system; money creation in principle and in a modern economy; the role of deposit insurance in the US; the major functions of money.*

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Week 13

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14. Banking and the Money Supply

*Topics: The US money supply; M1 and M2; credits cards and debit cards, Goldsmiths, influences on the demand for money; the importance of the liquidity trap*

Week 14

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15. Monetary Theory and Policy.

*Topics: The history, structure, and functions of the US Federal Reserve system; deposit expansion based on fractional reserve banking; the deposit expansion multiplier and potential expansion of the money supply; the overall effectiveness of monetary policy.*

Week 15

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16. Macro Policy.

*Topics: The equation of exchange and its importance; the crude and sophisticated version of the quantity theory of money; the propositions of Keynesian and monetarist theory; Keynesian and monetarist ideas both historically and theoretically.*

Week 16

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18. International Finance.

*Topics: The balance of payments; the US current and capital account balances; the foreign exchange market in a supply/demand diagram; the pros and cons of fixed and flexible exchange rate systems; the problems posed by the US persistent current account deficits and capital account surpluses.*

**Important Dates, Holidays, and Breaks**

Midterm 1, covering chapters 1-4, is on Monday, September 29.

Midterm 2, covering chapters 5-8, is on Monday, October 27.

Midterm 3, covering chapters 9-12, is on Monday, November 17.

***Final Exam, covering chapters 13, 14, 15, 16, and 18, is on Wednesday, December 17 at 11:15am.***

Campus Closed on

Labor Day, Monday, Sep 1

Veteran's Day, Tuesday, Nov 11

Thanksgiving, Nov. 27-30

## **Course Website (ETUDES-NG) Login Info:**

You may access your online class by logging in at this URL: <http://myEtudes.org>

Simply use your complete Student ID Number for your Etudes User ID or the first 2 letters of your first name + the first 2 letters of your last name + the last 5 digits of your Student ID Number (not your social security number). If you do not know your Student Identification Number you can look it up using the Student Information System (SIS) at [http://www.laccd.edu/student\\_information/sis\\_logon.asp](http://www.laccd.edu/student_information/sis_logon.asp)

If this is your first Etudes class your password is your Month and Day of birth. However, since Etudes passwords are permanent, if you have already taken a class using Etudes your password has not changed.

Example: Juan Straub, 88-459-0210, born July 4

- User ID: just90210
- Password: 0704

After you login you will see a list of the courses you are enrolled in on the top menu bar to the right of My Workspace. Just click on a course tab to access a course. Once you have entered the course, use the menu on the left to navigate the course.

If you have trouble accessing the course on, or after, the start date visit the Online Student Help Desk at <http://www.wlac.edu/online/helpdesk.asp>. Review the Common Login Mistakes information on the left for solutions to common login problems. If your problem is not addressed send us a message explaining the problem or contact the Distance Learning Program Office at (310)287-4306 or via email at [shemwer@wla.edu](mailto:shemwer@wla.edu)