Course Objectives:

1. The student will understand the role of prices, and of competition, in determining what goods are produced and how they are allocated.

2. The student will understand the basic working of the U.S. Macroeconomy.

3. The student will understand the pros and cons of international trade.

4. The student will understand the role of government in the market, the macroeconomy, and the global economy.

Getting Help: My office hours are listed above. However, you are welcome to stop by my office anytime the door is open and it is before 5:00, or to call my office.

Cheat on Me: Students are referred to the GSU Student Conduct Code for a discussion of what constitutes academic misconduct, including cheating and plagiarism, and for a discussion of the procedures utilized in adjudicating such cases. If I catch you cheating I will, in all but the most minor circumstances, turn you in to the Office of Judicial Affairs. In these circumstances, my minimum penalty for cheating is a grade of 0 on that assignment. In certain circumstances, stiffer penalties may be imposed by the Office of Judicial Affairs.

By the Book: O'Sullivan and Sheffrin, Economics: Principles and Tools, required. When you get the book at the University Bookstore, give them my name, I have ordered the complete textbook instead of the “Macroeconomics Split” used in most other sections.

Attendance: There is no formal “attendance grade”. But I will take attendance sometimes and use that information when deciding upon grades in the “fuzzy region” (see below). You’re kidding yourself if you think missing class won’t hurt you on the tests.

Begraded: You have four tests, the final one given during exam week. Your final average is calculated as follows:

- Your Best Test: 25%
- Your Second Best Test: 35%
- Your Third Best Test: 25%
- Your Worst Test: 15%

This always works out at least as good as (or better than) an unweighted average of your four test grades.

The grading scale is: A = 90-100

Fuzzy Region: 89.01-89.99
Grades in the fuzzy region can be rounded up or down at my discretion. The procedure I use for making that decision is as follows. I give the borderline student a participation “grade”, based on attendance, tardiness, and class participation. I will round up by up to one percentage point for every letter the student’s class participation “grade” exceeds their numerical grade. Thus, a student with a 69.1 average and a C in participation will get a C for the class, as will a student with a 68.9 and a B in participation, or a student with a 67.3 and an A in participation. But a student with a 68.9 average and a C in participation will receive a D. Otherwise, I do not curve or adjust grades.

Generally, everyone starts out at a C participation grade and moves up by presenting homework problems in class, assisting me in class presentations, or having very good or exceptional attendance or class participation. Each problem/class presentation moves your participation grade up one letter (from C to B, B to A, etc.) You will move down if I feel you are a detriment to the class or you miss many days of class.

Making Up: There won’t be any need for makeups, because you won’t miss the tests. If you know now you can’t make one of the tests, transfer to another section. Valid excuses like serious illness, or death in the family will require written documentation. Notes from the Health Center cannot be accepted. You may be able to take an exam early; come see me.

Schedule, Topics of Study, and Reading Assignments.

This class is very structured. I hope that this will help organize your studying and test preparation.

We have four units. Each unit consists, essentially, of three weeks of material and one “test week”. Mondays and Wednesdays I will cover new material; Fridays we will discuss a newspaper article, or have an in-class “simulation” or game, or go over homework. Then, the test week will consist of a review on Monday (usually, going over homework problems that are in the style you will have on your test), the test on Wednesday, and going over the test on Friday. (Our review for the fourth test will be on the last day of class.) Each unit is listed below, followed by a set of topics (in “bullets”). I will spend one day on each topic, in the order they are given; this way you can figure out what’s coming each class day.

Unit 1 (Aug. 20 - Sept. 17) THE MARKET SYSTEM AND RESOURCE ALLOCATION

- What is a perfectly competitive market?
- The Law of Supply
- The Law of Demand
Market Equilibrium: Supply/Demand Analysis
Prices as a Rationing Mechanism; Price Controls
The Role of Government in the Competitive Market

In Your Book: Chapters 4 and 6
“Test Week”: Sept. 13 - 17.
First Test: Wednesday, Sept. 15.

Unit 2 (Sept. 20 - Oct. 13) THE UNITED STATES MACROECONOMY

- Measuring Output
- Unemployment
- Measuring the Price Level, and Inflation
- The Money Supply and the Federal Reserve System
- Taxes, Deficits, Surpluses, and Social Security
- The Role of Government in the Macroeconomy

In Your Book: Chapters 20, 21, 27, and 31
Last Day to Drop: Monday, Oct. 4.

Unit 3 (Oct. 18 - Nov. 12) THE GLOBAL ECONOMY AND INTERNATIONAL TRADE

- What is Comparative Advantage?
- Comparative Advantage as a Justification for Trade
- Distributional Effects of Trade: Who Wins and Who Loses?
- Balance of Payments, Imports, Exports
- Exchange Rates
- The Role of the U.S. Government in the Global Economy

In Your Book: Chapters 32 and 33
“Test Week”: Nov. 8 - 12
Third Test: Wednesday, Nov. 10.

Unit 4 (Nov. 15 - Dec. 17) MARKET IMPERFECTIONS AND THE ROLE OF GOVERNMENT

- Understanding Income Inequality
- Addressing Income Inequality
- Market Imperfections and Government Intervention
- Pollution Control
- Regulation and Big Business
- Pro’s and Con’s of Government Intervention in the Market

In Your Book: Chapters 14, 15, 17, and pages 264-267 in Chapter 13
Wednesday, Dec. 15, 11:00-1:00 am., Final Exam (12:00 Class)
Friday, Dec. 17, 8:00-10:00 am., Final Exam (10:00 Class)