Introduction:

Economics is broadly defined as the study of how individuals and societies allocate a limited number of resources in order to best satisfy an unlimited number of wants. In other words, it is the study of how decisions are made. This course is an introduction to the foundations of Macroeconomics - the study of economics at the regional, national, and global level. By the end of this session you will be able to think like an economist (scary, I know), and use your new line of reasoning to understand and discuss questions from a variety of topics:

- **Measurement**: How do countries measure the amount of output it produces, how much it has grown, the price level, the employment levels of its population, and overall welfare of it population?
- **Monetary and Fiscal Policy**: What are they? How do they work? What are their immediate and long-term effects on the economy?
- **Business Cycles**: What are they? What does a recession / expansion matter?
- **Economic Interactions / Predictions**: How will unforeseen events either from inside or outside of our economy affect the key economic variables we need to know in order to make rational economic decisions?

Handling these topics require a use of some terminology and the use of your common sense (which economists call *intuition*). Development of this intuition and analytical thinking skills will prove to be worthwhile well beyond the scope of this course.

Textbook:


There is a study guide available, but it is not required. You are encouraged to purchase it if you would like additional study material and a more in-depth coverage of the subject matter.
Grade:

Your grade for the course will comprise of the following:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homework (4)</td>
<td>40 %</td>
</tr>
<tr>
<td>Spot Checks (5)</td>
<td>10 %</td>
</tr>
<tr>
<td>Midterm Exam</td>
<td>25 %</td>
</tr>
<tr>
<td>Final Exam</td>
<td>25 %</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100 %</strong></td>
</tr>
</tbody>
</table>

**Homework** will be designed to complement and reinforce your understanding of the subject matter. They will consist of multiple choice and quantitative / qualitative essay-type questions. The multiple choice questions will be handed in for a grade, while the essay-type questions will serve as practice for the types of questions you will see on exams. All answers will be posted on the class website, and the more important ones will be covered in class.

‘Spot Checks’ are a little device which insuring that we all keep up with the course material. At the end of five *random* classes during the session, I will ask a simple question pertaining to the material we have just covered. Everyone who hands in an answer (regardless if it is correct) will receive one point towards their final grade. However, the answers will be examined to determine if there is any general confusion which should be addressed before we proceed. **Note:** you must be in class to get credit for a spot check.

**Exams** will follow the same format of the homework assignments, only all questions will count.

**Course Policy:**

**Late Problem Sets:** You can hand in a problem set one day late and receive half credit. The answer key will be posted by 5 pm that day and problem sets can no longer be accepted.

**Make-ups:** Spot Checks cannot be made up. If you are unable to attend an exam, then I require official notification *in advance* and a make-up exam will be given before the exam date. Otherwise, I require an official excuse (from a doctor) which will allow you to take a make-up after the exam date.

**Class Etiquette:** Economic discussion is one of the best ways to learn and appreciate the relevance of the subject matter. You are encouraged to ask questions about specific topics and current events. Since the goal of this course is to build your economic intuition, you are especially encouraged to challenge me when a particular point sounds *counter-intuitive* (i.e. bogus). This will not only make the topics easier, but it will make the class more interesting and enjoyable.
**Academic Integrity Policy:** The Code of Academic Integrity of Villanova University addresses cheating, fabrication of submitted work, plagiarism, handing in work completed for another course without the instructor’s approval, and other forms of dishonesty. For the first offense, a student who violates the Code of Villanova University will receive 0 points for the assignment. The violation will be reported by the instructor to the Dean’s Office and recorded in the student’s file. In addition, the student will be expected to complete an education program. For the second offense, the student will be dismissed from the University and the reason noted on the student’s official transcript.

**Learning Support Services:** Students with disabilities who require academic accommodations should schedule an appointment to discuss specifics with me. It is the policy of Villanova to make reasonable academic accommodations for qualified individuals with disabilities. You must present verification and register with the Learning Support Office by contacting 610-519-5636 or Nancy Mott at nancy.mott@villanova.edu. Registration is needed in order to receive accommodations.

**Course Outline:**
Below is an outline of the topics and relevant chapters from the textbook. It will be assumed that you have read the chapters prior to the class in which we will discuss them.

- Introduction / Supply & Demand refresher (CH 1-3)
- A First Look at Macroeconomics (CH 4)
- Measuring GDP & Economic Growth (CH 5)
- Monitoring Cycles, Jobs, and the Price Level (CH 6)
- Aggregate Demand and Aggregate Supply (CH 7)
- The Economy at Full Employment: The Classical Model (CH 8)
- Economic Growth (CH 9)
- Money, Banks, and the Federal Reserve (CH 10)
- Money, Interest, Real GDP, and the Price Level (CH 11)
- Inflation (CH 12)
- Expenditure Multipliers: The Keynesian Model (CH 13)
- The Business Cycle (CH 14)
- Fiscal Policy (CH 15)
- Monetary Policy (CH 16)
- Trading with the World (CH 17)
- International Finance (CH 18)

**Exam Dates**
- Midterm Exam: Thursday, October 5th (during class)
- Final Exam: Monday, December 18th (10:45 am – 1:15 pm)

---

*The Exam dates are firm. The topics which they will cover will depend upon our progress with the course. You will be given ample time to prepare, and there may be time for in class review.*