ECO 1002-002: Introduction to Macroeconomics
Fall 2008, CRN: 21636

Tues & Thurs 8:30 – 9:45 am
Bartley 2010

Me: Dr. Scott J. Dressler
Office: 2003 Bartley Hall
Phone: 610.519.5934

Email: scott.dressler@villanova.edu
Web: www86.homepage.villanova.edu/scott.dressler

Office Hours: Tues & Thurs, 1:00 pm – 4:00 pm (or by appointment)

Course Introduction:
Economics: the study of how to allocate a limited number of resources in order to best satisfy an unlimited number of wants. In English - it is the study of how decisions are made.

Before the 1930’s, economic theory was believed to be ‘one size fits all.’ After the Great Depression, economists realized that we needed additional tools to examine the ‘big picture’ of an economy where all individuals are making their own self-interested decisions.

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?
• Monetary and Fiscal Policy: What are they and how do they work? What are their immediate and long-run effects on the economy?
• Business Cycles: What are they? How does a recession / expansion matter?
• Economic Interactions / Predictions: How will unforeseen events affect the key economic variables we need to know in order to make rational decisions?

Understanding these topics require a handful of terminology and the use of your common sense (which economists call intuition). We will work really hard at developing this intuition and analytical thinking skills, which will 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. There will be no assignments from the study guide.
Grade:
Your grade for the course will comprise of the following:

- Homework (4) 40%
- Spot Checks (5) 10%
- Prelim Quiz 5%
- Midterm Exam 20%
- Final Exam 25%
- TOTAL 100%

Homework will 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. Solution keys will be posted on the class website.

‘Spot Checks’ will insure that we all keep up with the course material. At the end of five random classes during the session, I will ask a question pertaining to the material we have just covered. Everyone who hands in an answer will receive credit (regardless if it is correct). 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 & Quizzes will follow the same format as the homework assignments (multiple choice and quantitative / qualitative essay type questions).

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 or quiz, then I require official notification in advance and a make-up exam will be given prior to 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: 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 relevant 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).
**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 Parkin text. 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)
- The Economy at Full Employment: The Classical Model (CH 7)
- Aggregate Demand and Aggregate Supply (CH 11)
- Economic Growth (CH 8)
- Money, the Price Level, and Inflation (CH 9)
- US Inflation, Unemployment, and Business Cycles (CH 13)
- Fiscal Policy (CH 15)
- Monetary Policy (CH 16)
- Trading with the World (CH 17)

**Exam Dates**
Preliminary Quiz: Thursday, September 18th (in class)
Midterm Exam: Thursday, October 9th (in class)
Final Exam: Thursday, December 18th (8:00 – 10:30 am, in class)

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° The Exam & quiz dates are firm. The topics which they will cover will depend upon our progress. You will be given ample time to prepare, and there may be time for in class review for exams.