Welcome to Economics 203, a study of macroeconomics. In this course students study foundation concepts in economics, measurements of economic variables, policy options including classical viewpoints, monetary policy, fiscal policy as well as the basics of international trade. In addition, the course includes an examination of current economic issues which are frequently in the news and which continually influence economic decision making on the part of individuals, businesses and governments.

**Course Outcomes:**

As a result of their participation in this course students will:

1. Know basic foundation concepts necessary to analyze events and data from an economic perspective.
2. Understand the economic argument for free trade as based on comparative advantage.
3. Understand how the forces of supply and demand determine price and quantity and allocate goods and services as well as resources.
4. Be able to use the concept of elasticity to analyze economic decisions.
5. Know the effect of price ceilings and price floors on economic efficiency and be able to analyze the effect of taxes on market outcomes.
6. Know how to measure economic output.
7. Know how to calculate the overall level of prices and understand the importance of price stability.
8. Understand the role of banks and how monetary policy is used by the Federal Reserve to achieve selected economic goals.
9. Understand fiscal policy as a policy option to achieve selected economic goals.
10. Describe the relationship between national saving, government deficits and investment.
11. Understand the forces which lead to greater economic productivity.
12. Know how the employment/unemployment statistics are determined.


Study guide materials will be provided.
Reading, writing and exam schedule:

Session # 1
Date: _______________

Chapter 1--Ten Principles of Economics and Chapter 2--Thinking Like an Economist will be covered in class. If possible, please read those chapters before the first session.

Class activities: PowerPoint slides and study guides

Discussion topics: (1) How to think like an economist!
(2) Why is economics called the “dismal science”?

Session # 2
Date: _______________

Chapter 3--Interdependence and the Gains from Trade and Chapter 4--The Market Forces of Supply & Demand will be covered in class. If possible please read those chapters prior to the beginning of class.

Class activities: PowerPoint slides and study guides

Video: Ted Koppel and the People’s Republic of Capitalism

Discussion topic: (1) Free Trade-Winners, losers and policy options
(2) The power of markets

Session # 3
Date: _______________

An exam on chapters 1, 2, 3 and 4 will be given. The exam will include both objective and essay questions.

Chapter 5 – Elasticity and Its Application and Chapter 6 -- Supply, Demand and Government policies will be covered in class. If possible please read those chapters prior to the beginning of class.

Class activities: PowerPoint slides and study guides

Discussion topics: (1) Elasticity and its many applications
(2) Market distortions from mandated prices
**Session # 4**
Date: ______________

Chapter 10 (23)--Measuring a Nation’s Income and Chapter 11(24)--Measuring the Cost of living will be covered in class. If possible please read those chapters prior to the beginning of class.

Class activities: PowerPoint slides and study guides

Video: GDP/GNP—Economics USA

Discussion topic: (1) what does GDP really tell us?
(2) How is wealth distributed in American?

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**Session # 5**
Date: ______________

**** The formal paper will be assigned. The paper will be an analysis of an article provided by the instructor. The paper should be approximately 500 words in length. The first part of the paper should be a summary of the paper’s content while the second part should be a critique of the main ideas in the paper. You should state whether you agree or disagree with the author’s work and conclusions using the tools of economic analysis being learned in class. The paper will be due the 7th session of the class. Students should be prepared to orally defend their writing in class.

An exam on chapters 5, 6, 10(23) and 11(24) will be given. The exam will include both objective and essay questions.

Chapter 13(26)--Saving, Investment and the Financial System and Chapter 15 (28)--Unemployment and Its Natural Rate will be covered in class. If possible please read those chapters prior to the beginning of class.

Class activities: PowerPoint slides and study guides

Video: Federal deficits-Economics USA

Discussion topics: (1) Do government deficits and debt matter?
(2) Is unemployment overstated or understated?

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Session # 6  
Date: ______________

Chapter 16 (29)--The Monetary System and Chapter17 (30)--Money Growth and Inflation will be covered. Please read those chapters prior to the beginning of class.

Class activities: PowerPoint slides and study guides

Video: The banking system and the Federal Reserve--Economics USA

Discussion topics: (1) The importance of a sound money and banking system  
(2) Monetary policy—its strengths and limitations  
(3) Inflation-winners, losers and actual costs

Session # 7  
Date: ______________
Submit and be prepared to orally defend your paper.

An exam on chapters 13(26), 15(28), 16(29) and 17(30) will be given. The exam will include both objective and essay questions.

Chapter 20(33) Aggregate Demand and Aggregate Supply, Chapter 21 (34)--The Influence of Monetary and Fiscal Policy on Aggregate Demand will be covered in class. If possible please read those chapters prior to the beginning of class.

Class activities: PowerPoint slides and study guides

Discussion topics: (1) What causes the business cycle?  
(2) How should government/the “Fed” respond to recession/inflation?

Session # 8  
Date: ______________

Complete any unfinished topics and/or activities. A discussion of alternative macroeconomic policies as related to the achievement of the goals of full employment, economic growth and price stability will be conducted. At this point in the course students need to be able to propose and defend economic policies.

An exam on chapters 20(33) and 21(34) will be given. The exam will include both objective and essay questions.

Video: Fiscal policy-Economics USA

Discussion topics: (1) Was Keynes right or wrong?
Course Policies:
1. Evaluation – Four exams will be given. Students will write a paper in which they will use economic concepts to analyze a current issue. A grade will be given for participation and completion of classroom work. Classroom work will be submitted following each exam. The final grade will be the average of the four exam scores, the paper grade and the classwork/participation grade.

2. Attendance – This course will cover extensive content in only eight sessions over eight weeks. Attendance at all sessions is extremely important. Any student who anticipates missing more than two sessions should not enroll in this course. A student may miss one session with no penalty, but they are responsible for all work covered in that session. A student who misses two sessions will have their grade lowered by one grade point. A student who misses more than two sessions will not receive credit in the course. Please discuss any attendance issues with the instructor.

3. Grading:
   - 100-90 = A
   - 89-80 = B
   - 79-70 = C
   - 69-60 = D
   - <60 = F

5. Academic Integrity Policy – The Doane College Academic Integrity Policy will be adhered to in this class. All tests and papers must represent your own work. Any use of other people's ideas and words without proper citation of sources is plagiarism and will result in a loss of credit for that assignment.

6. To succeed in this course students must be able to read and comprehend college level economic material, use basic mathematical concepts, take good notes, communicate effectively on essay exams as well as on formal papers and apply economic reasoning.