Doane College

ECO 203 Macroeconomics and Literacy Syllabus

Summer Flex 2013 (31 July-3 August) Lincoln
William A. Snow, Ph.D
Economics is the study of the use of scarce resources that have alternative uses. Lionel Robbins (2009)

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Class Dates: 31 July-3 August 2013;
- Wednesday, 31 July: 6:00-10:30pm
- Thursday, 1 August: 6:00-10:30pm
- Friday, 2 August: 6:00-10:30pm
- Saturday, 3 August: 9:00-4:30pm

Office Hours: Before and after class and by appointment.

Introductory Remarks. This course is about your gaining an understanding of the various core dimensions of macroeconomics, how these elements interact with each other, and what contributes to and detracts from economic efficiencies. Within this framework we will explore such powerful aspects of economics as the flow of funds through the economy, economic evaluation of the investment sector, cost benefit and cost effectiveness analysis, economic fluctuations, unemployment and inflation, money and banking, fiscal policy and national debt and economic growth and prosperity. Therefore, in these turbulent and rapidly changing times, this course will provide you with an enhanced understanding of the influence macroeconomics and literacy plays in our short and long term environment. Thus, the notion of your studying and learning about these key concepts, theories, competencies and practices has relevance and utility for you as you move forward in your professional career as a leader, follower, or entrepreneur. Important note: It is in this context and spirit, then, that this course has been designed.

Course Description. This is an introductory course, one that is focused on the fundamental principles of macroeconomics and literacy. As such, it is a mixture of theory and applied economics. Your understanding of how macroeconomics can be applied to our society is central to your analyses of policies especially as relates to the efficient use of resources and equity. Thus, the overall emphasis of this course is on your development of a conceptual understanding and exploration of the applicability of economic theory to society of which you are a part.

Course Objectives. Economics is a social science. As such, macroeconomics and literacy is an important tool that is used in a wide range of disciplines including health care, law, public policy, banking, business, forestry, and agriculture. Thus, the overarching objective of this course is to provide you with an overview of major concepts, theories, competencies and practices of macroeconomics and literacy. This, in turn, will provide you with an enhanced
ability to determine what constitutes effective economic decisions, ways by which improved economic decisions can be accomplished, and the longer-term ramifications of such practices.

Specific Learning Objectives

- To understand and to be able to describe major fundamental macroeconomic theories, concepts and practices and to explore their limitations.

- To understand and to be able to explain examples of major macroeconomic challenges and trends now and in the future as they might impact your organization and you.

- To develop skills and abilities necessary to distinguish between ineffective and effective macroeconomic policies and practices which can, in turn, have a positive effect on your ability to function effectively in your work setting.

Course Materials.


2. Handouts that will be distributed in class periodically.


4. Other resources: TEXTS:

Class Management. Our collective efforts--yours and mine--should focus on making this class interesting, challenging, thought provoking, interactive and fun! To that end, it is my intent to facilitate the delivery of this course by the use of a variety of learning methods including lectures, discussions, in-class exercises, cases, videos and other interactive processes. Your responsibility is to attend each class, to have completed the assignment(s) according to the published schedule, and to be willing to ask questions and become involved in the class discussions and activities. These elements, and your successful accomplishment of them, will be key determinants of your grade in this class. Should you be absent from more than one (1) class for whatever reasons, each of these absences will result in a deduction of 20 points each from your total points accumulated. Students that miss one class will receive the maximum number of points for attendance. More specifically:
Attendance and Participation

It is important that for you to be prepared, to attend, and to participate in the planned class activities. As you likely already realize, a full working knowledge of *macroeconomics and literacy* cannot be acquired simply by reading the assigned text. Thus, your regular attendance and participation will help you maximize the learnings to be realized while ensuring that you gain a sense of order, flow and logic of the course. In this spirit, the following should be useful to you:

**Participation**

Your *class participation* is an integral part of this course because class discussion is an important way by which your learning is enhanced. By hearing the diverse opinions of your peers, you will gain deeper insight into the complexities of the issues being discussed and you will be exposed to a variety of ideas about macroeconomics. By voicing your own opinions in class you further develop your communication skills and obtain feedback from others on your ideas.

Gaining participation “marks” is not intended to be a "numbers game." My intent in class is to facilitate discussion to create a quality learning experience for you. Your participation mark is based on your demonstration of your own learning and your contribution to the learning of others in the class. Furthermore, if the overall quality of the class discussion is high, everyone will gain additional participation marks. In other words, there are both individual and group rewards for participation.

During the course, to assess your own participation, think about the following statements. A “yes” answer to each suggests you are participating effectively:

- My comments reflect an understanding of the reading and lecture material.
- They reflect an attempt to connect ideas.
- I ask questions when I don't understand or don't agree with something I have read or heard.
- I encourage and allow others to participate.
- I actively listen to others and try to build on their ideas or engage in healthy discussion.
- I share my own personal life and work experiences when they are relevant to the topic of discussion.

**Class Norms**

In organizations people in leadership and followership roles are concerned with the notion of equity. “Equity” operationally defined is the idea of ensuring that everyone is treated in a fair and equal manner based on norms established in the organization. In this context, then, to be fair to everyone in the class the following norms are to be adhered to by all class members including me:

- Classes start and end on time. You are expected to be in class at the start time and remain until the class ends.
- Please turn off your mobile phone and pager in class.
• No talking in class when someone else is talking. This does not apply when you are in a small group activity.

**Academic Integrity**

My personal philosophy regarding this matter is very simple: In an academic setting there is absolutely no tolerance for cheating or plagiarizing by a student. If a student violates this sacred trust it strikes at the very core of why you are attending this college which is, presumably, to learn, to challenge, to dialogue with others, and to receive feedback from the work you have done. Those who violate this fundamental rule should expect to receive an “F” in the class.

**Caveat**

The lecture topic dates are approximate. The materials, including the schedule and evaluation procedures, are subject to change in the event of extenuating circumstances. Such changes while not anticipated are possible. *This instructor, therefore, reserves the right to change anything in the syllabus at any time and for any reason.*

**Anonymous Comments**

You are encouraged to contact me any time you have questions, problems, or feel you need advise regarding class matters. I also welcome your informal feedback on my teaching and the course generally.

**Course Requirements** *(These requirements are common to all courses taken at Doane College.)*

1. All reading assignments are to be completed prior to class. Other assignments are due as indicated in the syllabus.
2. Cell phones and beepers. Please see above, “Class Norms.”
3. Students are expected to attend all classes. Please see above, “Class Management.”
4. Class and discussion topics. Please see above, “Caveat.”
5. Use of course instructor. Please see above, “Anonymous Comments.”
6. All school policies are to be followed as stated in the student handbook.
7. All course requirements must be met in order to successfully complete the course.
8. Academic integrity is valued by Doane College and is expected in all the endeavours of its administration, faculty and student body. Doane College defines Academic Integrity as fidelity to excellence in all educational practices. Please see above, “Academic Integrity.”

**Your Overall Evaluation.** In this class, you will be evaluated based on the following criteria:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percent</th>
<th>Points (Maximum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Team Case Presentation*</td>
<td>35%</td>
<td>175</td>
</tr>
<tr>
<td>2. Problem Set*</td>
<td>32</td>
<td>160</td>
</tr>
<tr>
<td>3. Self Study Set*</td>
<td>18</td>
<td>90</td>
</tr>
<tr>
<td>3. Attendance &amp; Participation</td>
<td>15</td>
<td>75</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>100%</strong></td>
<td><strong>500 Points</strong></td>
</tr>
</tbody>
</table>

*I’ll explain these on the first day of class.*
Final Course Grades

GPA calculation per Doane College policy, grade point averages are computed by dividing the total grade points earned by the total number of GPA credits. AU, I, IP, W, and P grades are not included in the calculation.

Grade Point System

<table>
<thead>
<tr>
<th>Grade</th>
<th>Grade Points per credit</th>
<th>Grade</th>
<th>Grade Points per credit</th>
<th>Grade</th>
<th>Grade Points per credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>A+</td>
<td>4.0</td>
<td>B-</td>
<td>2.7</td>
<td>D</td>
<td>1.0</td>
</tr>
<tr>
<td>A</td>
<td>4.0</td>
<td>C+</td>
<td>2.3</td>
<td>D-</td>
<td>0.7</td>
</tr>
<tr>
<td>A-</td>
<td>3.7</td>
<td>C</td>
<td>2.0</td>
<td>F</td>
<td>0.0</td>
</tr>
<tr>
<td>B+</td>
<td>3.3</td>
<td>C-</td>
<td>1.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>3.0</td>
<td>D+</td>
<td>1.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>3.0</td>
<td>D+</td>
<td>1.3</td>
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</tbody>
</table>

The Problem Set, Self Study and Team Presentation.

The Problem Set

The spirit and intent of this assignment is to provide you with the opportunity to gain important macroeconomics learnings, learnings that will be gleaned from the classroom discussions/power point notes, the text, and from your own individual research. Therefore, you are required to complete the Problem Set and either express mail it to me by Monday, 19 August 2013, (postmarked this date) or e-mail it to me at wmasnow@gmail.com by 0900 hours on Wednesday 21 August 2013. Details on the format for your answers are spelled out in the introductory section of the Problem Set. A maximum of 160 points (32% of total points) will be awarded for this assignment. Late papers will not be accepted. Of course, early submissions are welcome!

The Self Study Set. The assignments for Chapters 1, 3 and 13 are to be accomplished on a self study basis. These chapters can be reviewed by the use of the Power Points and the text. There are 3 mini-essay cases you are to answer along with 6 true-false questions for a total of 90 points which is 18% of the total points that can be awarded. These power points are intended to provide you with key learning points from these chapters and to reinforce the learnings you should glean from them. And, please view me as a resource to you especially regarding chapters 1, 3 and 13 as needed. I will be available to answer any questions you might have either by phone or e-mail before and after class. A week has been added to the due date for the Self Study/Problem Sets in order to give you more time for individual study and preparation. Thus, You are required to complete the Self Study Set and either express mail it to me by Monday, 26 August 2013 (postmarked this date) or e-mail it to me at
You are a member of one of three teams, with each team having a maximum of 8 students in it. Please note there is even distribution of the 2 Case assignments among these teams. One team is assigned to each case for presentation to the other members of the class. Details on the presentation are shown below. No written analysis of your assignment is required or expected.

<table>
<thead>
<tr>
<th>Teams Case Assignment</th>
<th>Content</th>
<th>Presentation/Discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team #1  &quot;Pigging Out&quot; Case The ethanol phenomenon.</td>
<td>Discussion of market equilibrium; surpluses and shortages in the marketplace. Putting supply and demand together.</td>
<td>3 August 2013 Saturday</td>
</tr>
<tr>
<td>Team #2  &quot;Fiscal policy and deficits and Productivity&quot; Case</td>
<td>Discussion of whether to reduce the Defense budget in order to promote productivity growth.</td>
<td>3 August 2013 Saturday</td>
</tr>
</tbody>
</table>

Exchanging case assignments between your teams is permissible so long as no more than 1 team analyses any one case assignment. Please let me know if any exchanges are made.

**Your Team Case Presentation-Overview**

Your team has been hired by a large for profit organization as a macroeconomics consultant to prepare a presentation of the case assigned to your team. The key administrators of the organization require that your report be an independent presentation in which important issues that you glean from the assigned case and your independent research are reviewed. The administrators are prepared to consider any recommendations you may have to improve the situation. You are encouraged to use additional resources when you collect data and information for this assignment. Suggest you see page 3, “Other Resources” for other sources of information and data.

In order to impress your client, your analysis and presentation will need to be well thought out and tightly organized. Your presentation will also need to be neatly prepared. And, you may include diagrams, charts, figures, cartoons, and other graphic representations as appropriate.

Note: *A copy of your presentation is due on the day of your team’s presentation. Diagrams, charts, figures, cartoons and other graphic representations are encouraged. A general references bibliography is also encouraged.*

**Specifics: Team Presentation**

Again, you should think of this presentation as an opportunity to explore various aspects of the assigned macroeconomics situation in a structured manner. During your analysis you should draw from your academic training both past and present, recent work experiences, and general observations about the macroeconomics world. The structure of your presentation is important. The following template or roadmap provides a consistent and logical way by which you can approach analysing and, therefore, accomplishing the assignment. Thus, your presentation is to include the following five (5) major elements:
A. **Summary of the Case.** (25 points.) This is a summary of your interpretation of the case, a review of events, key participants, and factors leading to the current situation. You should make no attempt to summarize your findings or recommendations for resolution of the issues that may be involved. Simply summarize the key factors in the case from your perspective in a concise, specific and factual manner.

B. **Key issues in Case.** (35 points.) In this section be sure you identify only the key problems/issues in the case. Be succinct, factual and specific in your identification of these issues. Recommend, 4-5 issues maximum. If you have more than 5 issues you have too many. If you have only two to three issues, you have likely missed some other important issues. Here are 3 examples of issue statements:

- The organization’s top administrative teams have created top-down communication systems that severely limit overall effective communication in the organizations.
- Organizations have antiquated cost/benefits analysis processes that hamper their ability to efficiently and properly accomplish cost/benefits issues and decisions.
- There are no development plans “in place” to replace 2 senior leaders that will be retiring within the next 12-18 months.

C. **Key issues/problems discussion (70 points).** In this section, you should provide a discussion of each of the key issues/problems you have identified in section “B” and explore possible solutions to those issues. This section is an excellent “place” for you to integrate your added research into the findings of the article(s) assigned your team. You should not reach any decisions on the possible solutions to the issues --only discuss possibilities.

D. **Solution/decision (25 points).** In this section you should provide a summary of what you recommend be done to resolve the issues/problems you identified in section “B.” The information you present in this section should be drawn from the analysis and discussion you created in section “C.” You need only summarize the recommendations you are making to solve the identified issues. There is no need to explain why you did not select some of the other possible solutions you discussed in section “C.”

**Implementation plan (20 points).** As you know, organizations do not have limitless resources. As a consequence, they must allocate their resources based on possible return on investment and do so on a prioritized basis. Thus, this part of your analysis is structured to help ensure you include the same kind of thinking in your solution to the issues in the case. Specifically, please be sure to include the following at the beginning of this section of your presentation: *In priority order this is our implementation plan.* Then, organize your implementation plan as follows:

<table>
<thead>
<tr>
<th>Key Activities to Implement</th>
<th>First Quarter</th>
<th>Second Quarter</th>
<th>Third Quarter</th>
<th>Fourth Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Replace communication system</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Revise cost/benefits analysis process</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Design and implement Succession planning process</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
**Specifics: Team In-Class Presentation/Discussion Format.** Please follow this format when you present your case assignment in class.

_Team:_
- 5 minutes of preparation time
- 25 minutes of uninterrupted time for your presentation including the 5 elements noted above

_Team, class members, me:_
- 15-20 minutes for a general discussion of the presentation including our collective observations, conclusions, and learnings.

For class time management and equity purposes, these time limits will need to be strictly adhered to. When you have two minutes remaining and when your time is up, I’ll let you know. Points will be deducted from your presentation if you exceed the time limit. _(Practice, practice, practice.)_

Some thoughts about your presentation format are in order. The most common errors teams make, in addition to poor preparation, include:

1. _Trying to present too many ideas._ Two strong ideas presented well are generally much more convincing than 5 ideas presented quickly. Thus, your presentation should emphasize your 3 most important ideas and include a brief discussion of the others.
2. _Not prepared to receive questions;_ that is, to answer the question, “So what?”
3. _Not prepared to ask questions._
4. _Misuse of your time by exceeding the time allowed._

When you analyze and discuss your presentation, consider the following all of which are dimensions of the field of Macroeconomics:

<table>
<thead>
<tr>
<th>Resource Utilization</th>
<th>The Mixed Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Business Investment Sector</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>Classical and Keynesian Economics</td>
<td>Economic Fluctuations, Unemployment and Inflation</td>
</tr>
<tr>
<td>Money &amp; Banking</td>
<td>Fiscal Policy and National Debt</td>
</tr>
<tr>
<td>Economic Growth and Productivity</td>
<td>Supply and Demand</td>
</tr>
<tr>
<td>Economic History of the United States</td>
<td></td>
</tr>
<tr>
<td>Week</td>
<td>Topic</td>
</tr>
<tr>
<td>------------</td>
<td>-----------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| #1: 31 July Wednesday | Introduction & syllabus  
Context for studying Macroeconomics  
Resource Utilization | Chapter 2           | In class case |
| #2: 1 August Thursday | Supply and Demand  
Business Investment Sector  
Gross Domestic Product | Chapter 4  
Chapter 6  
Chapter 9 | In class case |
| #3: 2 August Friday | Gross Domestic Product (Contd)  
Economic Fluctuations,  
Unemployment and Inflation  
Classical & Keynesian Economics | Chapter 9  
Chapter 10  
Chapter 11 | In class case |
| #4: 3 August Saturday | Fiscal Policy & National Debt  
Economic Growth & Productivity  
“Pigging Out-Surpluses & Shortages”  
Case #1, Team #1  
"The Fiscal Policy, Deficits and Productivity" Case #3, Team #2  
Course Summary | Chapter 12  
Chapter 16 | In class case |