

Ohio University



Independent and Distance Learning

Online

ECON 104 - Principles of Macroeconomics

Background for the Course

News stories in The Wall Street Journal and other newspapers describe the nation's economic condition; but these stories can be confusing or incomprehensible to most citizens because they do not understand the economic concepts underlying the events. This course acquaints students with the language of macroeconomics. Macroeconomics examines the economy as a whole - the forest, not the trees.

In the first part the whole is measured by GDP or gross domestic product, which is discussed, analyzed, and explained with the use of logic, accounting tools, and simple theoretical models.

The income and expenditure approaches to measuring GDP are developed from the basic income-expenditure identity. The differences between the income and expenditure approaches to determining GDP are discussed and analyzed in terms of their component parts.

One of the components of GDP examined from the expenditures approach is investment. This course examines gross and net investment, the role of inventory changes, and the impact of net investment on economic growth. On the income approach to GDP, non-income charges such as depreciation and indirect business taxes are covered.

Another component of GDP is government expenditures, which also has a crucial role in determining GDP.

Price indices measure an aspect of economic activity. They can be used to deflate or inflate nominal or measured GDP or measure the rate of inflation. Current GDP as a tool for measuring economic activity or welfare has shortcomings and these will be examined. International comparisons of the size of the U.S. GDP and the "underground" economy are made.

The second part of this course describes the crucial role of the money supply in the determination of GDP. (The money supply is managed by the Fed.) Both the money supply and the federal government budget are given detailed attention and form the basis for monetary and fiscal policy. These policy tools are examined and evaluated for their contributions in stabilizing the course of economic activity in our economy.

We also examine the impact of the new economy factors of information and technology, on economic growth. We also investigate some unsettled theoretical issues in macroeconomics.

The third part of this course discusses the economic basis for international economic trade and the conditions necessary for trading partners to benefit from this trade. This part defines the balance of payments, describes the financing of trade, and proposes a number of explanations for the determination of exchange rates. The course concludes with an analysis of some proposals for the development of poor countries.

Upon completion of this course students should be able to read and understand general articles on the economy that might appear in papers such as The Wall Street Journal.

This course is divided into three parts:

Part 1 covers Chapters 6, 7, 8, 10, 11, and parts of 15 in Macroeconomics and begins with a study of GDP (gross domestic product), followed by aggregate demand, aggregate supply, and the public debt.

Part 2 treats the demand and supply of money and the role of commercial banks in facilitating economic growth which covers--Chapters 12, 13, 14, 14W, and 17--considers the subject of money and banking and, monetary theory and policy. The role of the Federal Reserve--the central bank of the United States--is examined.

Part 3 which covers--Chapters 16, 16W, 18, and 19--focuses on international trade with particular reference to the United States and the economic development of poor countries. All components have the viewpoint of macroeconomics, that is, the study of the economy as a whole.

Prerequisites

MATH 101 or higher math placement.

Methods of Course Instruction

All course content is presented on the World Wide Web; e-mail is used for the submission of all assignments. Multiple choice questions are graded instantaneously on the website. The instructor's evaluation and comments on essay questions may be made on the website or by hard copy.

Materials

McConnell, Campbell R & Brue, Stanley L. **Macroeconomics**, 17th edition. New York: McGraw-Hill Book Company, 2008. ISBN: 0073273082 (paperback)

OR

McConnell, Campbell R & Brue, Stanley L. **Economics: Principles, Problems and Policies**, 17th edition. New York: McGraw-Hill Book Company, 2008. ISBN: 139780073126630 (hardcover)

Optional--Some multiple-choice and essay questions from the following manual are used in the course:

Walstad, William B and Bingham, Robert C. **Study Guide to Accompany Microeconomics**, 17th edition. New York: McGraw-Hill Book Company, 2008. ISBN: 139780073273129 (paperback)

The instructor will permit an extension only under extreme circumstances.

Grading Policy & Standards

Your graded **essay** assignments form the basis for your proctored exams. They help you identify what you didn't know, so you can study more effectively for your exams.

Your grade in this course will be determined on the following basis:

Lesson Assignments = 25%
Midcourse Exams (2 at 20% each) = 40%
Final Exam = 35%
Total = 100%

The grading scale for this course will be as follows:

90 - 100	=	A
80 - 89	=	B
70 - 79	=	C
60 - 69	=	D
Below 60%	=	F

To any letter grade (other an F), there can be affixed a plus (+) or minus (-).

Any late assignments or exams may be penalized by a reduction in grade.

Examinations

There will be three exams: two midcourses and a final.

Each midcourse exam will be comprised of 60 multiple-choice questions and 5 essay/problems.

The final contains 80 multiple choice questions and 6 essay/problems.

Each of these two components, namely multiple choice and essay questions, are weighted equally to determine your examination mark.

All exams are proctored.

Academic Dishonesty

Acts of Academic Dishonesty can result in lowered grade for the work in question and/or course as deemed appropriate by the instructor. Serious cases may also be referred to the Director of University Judiciaries for further action which may include suspension or dismissal. For a description of an act of Academic Dishonesty, consult Ohio University, Faculty Handbook Sec. VIII.F., or Student Regulations.

Library Services

If you wish to access Ohio University's Alden Library distance learning services please follow this link:

www.library.ohiou.edu/serv/offcampus.html

Registration allows you the use of electronic resources, requesting & borrowing resources from OhioLINK, document delivery, "ask a librarian," and much more.