



This course is part of GVSU's General Education Program.

The goal of the program is to prepare you for intelligent participation in public dialogues that consider the issues of humane living and responsible action in local, national, and global communities.

The program is designed to increase your knowledge and skills in the following areas:

Knowledge Goals:

1. The major areas of human investigation and accomplishment — the arts, the humanities, the mathematical sciences, the natural sciences, and the social sciences.
2. An understanding of one's own culture and the culture of others.
3. An understanding of how academic study connects to issues in the world.

Skills Goals:

1. Collaboration is the process of working together and sharing the workload equitably to progress toward shared objectives, learned through structured activities that occur over a significant period of time.
2. Critical and creative thinking uses systematic reasoning to examine and evaluate ideas, leading to new ways of thinking or doing.
3. Ethical reasoning is a decision-making process based on defining systems of value.
4. Information literacy is the process of locating, evaluating, and using multiple forms of information.
5. Integration is the process of synthesizing and applying existing knowledge, past experiences, and other perspectives to new, complex situations.
6. Oral communication is the practice of effectively communicating verbally with a public audience across a variety of contexts.
7. Problem solving is the process of designing and evaluating strategies to answer open-ended questions or achieve desired goals.
8. Quantitative literacy is a competency and comfort in working with numbers.
9. Written communication is the practice of creating and refining messages that educated readers will value.

Ensuring that undergraduate students receive a broad general education has been a primary goal of colleges and universities since their inception. In this era of increasing specialization and growing demand for professional expertise, it is vital that we continue to emphasize the value of general learning.

GVSU maintains that a complete education involves more than preparation for a particular career. A career occurs in the context of a life, and a sound general education helps one "make a life" as well as "make a living." The university is committed to assuring that all undergraduate students, regardless of academic major, receive a broad education rooted in the arts and sciences.

Teaching in the liberal tradition is at the heart of Grand Valley's identity, and this focus is critical in our General Education Program. Liberal education transcends the acquisition of information; it goes beyond the factual to ask important evaluative and philosophical questions. Liberal learning holds the fundamental principles and suppositions of a body of knowledge up to inquiry, question, and discussion. It helps a person recognize the assumptions under which he or she operates and encourages the examination and questioning of those assumptions. Liberal learning begins in the General Education Program and continues through the more specialized studies comprising each student's major and minor areas of study.

Grand Valley State University educates students to shape their lives, their professions, and their societies.

**Department of Economics
Seidman College of Business
Grand Valley State University**

**ECO 210-09: Introductory Macroeconomics
Fall 2014 TR 11:30am-12:45pm SCB 2020**

Professor: Brad Sturgill
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Office Hours: TR 10:00-11:00 and 2:30-3:00
or by appointment

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TEXT: Hubbard and Obrien, *Macroeconomics*, Fifth Edition, 2014.
ISBN: 9780133455496

Course Description

An introductory analysis of macroeconomics, including: determinants of the level and rate of growth of total output; comparative advantage and international trade; causes of unemployment, inflation, business cycles, and exchange rate fluctuations; effects of monetary and fiscal policy on important economic aggregates; and the impact of international events, public policies, and trade surpluses/deficits on national economies.

Course Objectives

By the end of this course, students should be able to:

- A. Explain how an economy works as an integrated system and how important economic aggregates such as total output, employment and the price level are related.
- B. Use analytical tools to think about and investigate macroeconomic issues such as economic growth, business cycles, unemployment, inflation, and stabilization policy.
- C. Explain the role of money, credit, central banks and monetary and fiscal policy in modern economies.
- D. Analyze international economic relationships.
- E. Evaluate and interpret statements about the macro economy from the media.

General Education Program

ECO 210 is part of the General Education Program at GVSU in the Social Sciences Foundation category. The General Education Program Booklet states that “The social and behavioral sciences examine the human condition from various perspectives including the study of

individuals, communities, institutions, social structure, culture, and international relations. The methods, theories, and empirical findings of the social and behavioral sciences are essential to public discourse and constitute a basis for self-reflection, critical evaluation, public and social policy decisions, and social and cultural changes.” ECO 210 meets the broad Social and Behavioral Sciences by helping students learn:

1. About the major areas of human investigation and accomplishment — the arts, the humanities, the mathematical sciences, the natural sciences, the social sciences, and writing:
 - a. An understanding of how knowledge in the social or behavioral sciences is created and applied
 - b. The major approaches, methods, theories, and substantive findings of the field
 - c. An informed critical stance that will allow students to weigh and apply ideas and claims from the social and behavioral sciences outside the classroom
2. Quantitative literacy — To apply mathematical and statistical methods to solving problems in everyday life, to understand and create sophisticated arguments supported by quantitative evidence, and to clearly communicate those arguments in a variety of formats (using words, tables, graphs, and mathematical equations as appropriate).
 - a. Interpret information appearing in the form of graphs, tables, numerical summaries, equations, and text
 - b. Evaluate underlying assumptions as necessary, recognizing that mathematical and statistical methods have limits
 - c. Solve problems using appropriate arithmetical, algebraic, geometric, or statistical techniques.
 - d. Draw valid conclusions based on data analysis and critically evaluate conclusions made by others
3. Problem Solving — To define a problem, identify strategies, propose solutions/hypotheses, evaluate potential solutions, implement solutions, and evaluate outcomes.
 - a. Construct clear and insightful problem statements that prioritize relevant contextual factors
 - b. Identify multiple approaches for solving the problem within the given context.
 - c. Design and fully explain proposed solutions that demonstrate deep comprehension of the problem.
 - d. Evaluate the feasibility of solutions considering aspects such as the historical context and ethical, legal, or practical impact of potential solutions.

The Economics Department, on behalf of the Seidman College of Business (not as part of the General Education program), also helps students learn:

4. Information Literacy — To know when there is a need for information, and then identify, locate, evaluate, and effectively and responsibly use and share that information for the problem at hand.
 - a. Develop a search plan that articulates the specific information needed.
 - b. Execute a plan for accessing information using appropriate search tools.
 - c. Evaluate the quality, usefulness, and relevance of the information.
 - d. Communicate results ethically and appropriately.

ECO 210 meets the broad General Education Objectives by attending to the following specific content objectives and skill objectives:

Content Objectives:

- **Way of Knowing:** To become familiar with economic methods and to understand the basic concepts and terminology of economics.
- **Contemporary Issues:** To become aware of and to understand the roles of the various institutions in the economy.
- **Major Approaches:** To be introduced to various macroeconomic policies and to understand their purposes and their effects.

Skills Objectives:

- To apply critical thinking to macroeconomic issues.
- To effectively communicate macroeconomic concepts to others.
- To be able to locate and interpret macroeconomic data.

Course Procedures and Policies

A. Prerequisite

MTH 110 or MTH 122 or MTH 201 is a prerequisite for this course.

B. Course Webpage

The course webpage can be found on Blackboard. I will post the syllabus, handouts, homework sets and announcements on the Blackboard site.

C. Grading Policy

The grade you receive in this course will be determined by your performance on two exams, a **comprehensive** final, several quizzes and an information literacy assignment. Items are weighted as follows:

First Exam:	20%
Second Exam:	20%
Comprehensive Final Exam:	25%
Quizzes:	25%
Information Literacy Assignment	10%

Letter grades will be assigned as follows:

Percentage	Grade	Percentage	Grade
92 - 100	A	72 - 77	C
90 - 91	A-	70 - 71	C-
88 - 89	B+	68 - 69	D+
82 - 87	B	60 - 67	D
80 - 81	B-	0 - 59	F
78 - 79	C+		

Rounding up will occur at 0.5 so that an average of 89.5 earns an A-.

Makeups will be given only if the student alerts me prior to an exam or quiz about a conflict. The circumstances surrounding that conflict must be extenuating. The dates for the exams and the due date for the information literacy assignment are given at the end of the syllabus. Quiz dates will be announced at least one class period ahead of time. There will likely be five to seven quizzes throughout the semester. The student's lowest quiz grade will be dropped at the end of the semester. Everyone must take the final exam.

Absolutely no extra-credit work will be allowed for students to improve their standing in the course.

D. Information Literacy Assignment

The Information Literacy Assignment is based upon the following four objectives:

- Knowing where to get information
- Understanding the difference between popular and academic information
- Learning to cite references based on APA format
- Analyzing the information collected

Additional information for the assignment will be provided later in the semester.

E. Homework

I will distribute practice problem sets throughout the semester. You will not turn these in, and they will not be graded. However, the questions in the problem sets will help you learn the material.

F. Attendance

You will not receive an explicit grade for attendance; however, I strongly encourage you to attend class. If you miss class for any reason, you are responsible for all material, information, and announcements discussed in class.

G. Classroom Decorum

Class disruptions such as arriving late, leaving early, and lack of attention or talking while the instructor is speaking are inappropriate and seriously inhibit the learning process. I expect students to refrain from these activities. Also, please remember to silence your cell phones and refrain from texting during class.

H. Withdrawal Policy Statement

A student may withdraw from a course and receive a grade of "W" when the completed "Registration and Drop-Add Form" is presented to the Registrar by October 24, 2014 at 5:00 p.m. (*After the first week of the current semester, students may not use the online system to withdraw*). Students who do not withdraw before the deadline must accept a grade other than "W" depending on the instructor's judgment of their performance in the course(s) and any mitigating circumstances.

I. Incomplete Policy Statement

An "I" can be given only under extenuating circumstances such as serious illness. Fall semester incomplete grades must be made up by the end of the Winter 2015 semester. If this does not happen, the "I" will be changed to an "F". If the student is not earning at least a "C" in the class, an incomplete grade is not appropriate. Also, an incomplete is not appropriate unless the student has completed most of the course.

J. Students with Disabilities Statement

If there is any student in this class who has special needs because of learning, physical, or other disability, please contact me and Disability Support Services (DSS) at (616) 331-2490. Furthermore, if you have a disability and think you will need assistance evacuating this classroom and/or building in an emergency situation, please make me aware so the University can develop a plan to assist you.

K. Student Honor Code:

The principles of truth and honesty are recognized as fundamental to a community of teachers and scholars. As such, the Seidman College of Business expects both faculty and students to honor these principles and, in so doing, to forge a lifelong commitment to ethical behavior.

L. Academic Dishonesty Statement

The Student Code Section 223.00 (p. 19) with respect to academic dishonesty will be strictly enforced up to and including failure for the course and judicial action for dismissal from the university.

M. Seidman College of Business Mission Statement

The Seidman College of Business provides a rigorous learning environment with a student focus, a regional commitment, and a global perspective.

Final Thoughts

Lectures will elaborate on material from the text but will also include material not covered in the text. That being said, it is imperative that you not view the book as a substitute for lectures.

Students are encouraged to ask questions and participate in lectures. Please come see me during office hours if you are having difficulty with something. You can't casually read about economics; you have to do it! Working problems, drawing the graphs, shifting the curves, and continually asking "why" is the way to master the ideas of economics. **Take good notes**, and **study** rather than **memorize**.

The fact that this is a "200 level" course does not imply that it is easy. Most of what we will study agrees with common sense but is not always simple or obvious. It has much subtlety that requires work and, more importantly, thought. Work and thought take time and effort.

Tentative Course Outline

I. Introduction and Basic Economic Principles

What is Economics?	Chapter 1
Production Possibilities Frontiers, Comparative Advantage and Trade	Chapters 2 (pp. 36-49), 7
Basic Supply and Demand Analysis	Chapters 2 (pp. 50-59), 3
An Important Macro Application of Supply and Demand: The Market for Loanable Funds	Chapter 10 (pp. 311-316)

II. Macroeconomic Foundations and Long-Run Growth

GDP: Measuring Total Production and Income	Chapter 8
Unemployment and Inflation	Chapter 9
Economic Growth	Chapters 10 (pp. 298-316), 11

III. Short-Run Fluctuations

Business Cycles	Chapter 10 (pp. 316-325)
Market for Foreign Exchange	Chapters 18, (pp. 607-614), 19 (pp. 628-635)
Determinants of GDP Components	Chapter 12 (pp. 375-387)
Aggregate Demand and Aggregate Supply Analysis	Chapter 13

IV. Monetary and Fiscal Policy (time permitting)

Money, Banks, and the Federal Reserve System	Chapter 14 (pp. 452-462 and 469-479)
Monetary Policy	Chapter 15

Fiscal Policy	Chapter 16
Inflation, Unemployment, and Federal Reserve Policy	Chapter 17
V. The International Economy (time permitting)	
Macroeconomics in an Open Economy	Chapter 18
International Financial System	Chapter 19

IMPORTANT DATES

EXAM 1

Tuesday, October 7

DROP DEADLINE

Friday, October 24

Information Literacy Assignment Due Date

Thursday, October 30

EXAM 2

Tuesday, November 18

FINAL EXAM

Wednesday, December 10, 12:00

Disclaimer. Small changes dealing with course content are possible.