Macroeconomic Principles, Econ 2020-500
Instructor: Kishore G. Kulkarni, Ph.D.,

Office Location: 203 Economics Building, Phone: 303-556-2675 feel free to leave messages. Students can also send an email on kulkarnk@mscd.edu Fax: (303)-556-3966.

Office Hours: Tuesdays and Thursdays 12.30 PM to 2 P.M. and by appointment.


Course Description and Objectives: This course focuses on the overall economic issues of GDP calculation, working of market system in a capitalistic economy, theories of consumption and investment, multiplier analysis, Fiscal and Monetary policy making in the U.S., and monetary theories of Keynes, classical economists and monetarists. The main objective is to enable students to obtain basic understanding of economic thinking. There is also discussion of some U.S. institutions such as the Federal Reserve System and commercial banks. The exact sequence of chapters to be covered is announced in the first class.

This is a demanding class and requires special attention to do well in it. Each class session provides abundant notes that improve understanding of the subject matter. Attendance in all classes is mandatory, and several absentees without a convincing reason may earn an F grade for the course.

There are four tests (including the final) to be taken, all of them have multiple choice questions. The grades depend upon the absolute performances in the above tests. There will be points reserved for completion of assignments in recitation classes. It is important that you attend all recitation classes and do well in those assignments. A surprise (pop) home assignments serve as the tool to earn bonus points. Usually, the score of 90% of the total possible points guarantees an A grade, 80% a B grade, 70% a C grade and 60% a D grade. Scores of less that 60% get F grade. Make-up exams are discouraged and in case of an emergency all make-up exams are conducted in 13th week of the semester.

This course assumes that you are reading the relevant chapters from the textbook, and are reviewing the earlier class material. Asking questions in the class is encouraged, and many times is reciprocated. In each class rules of common courtesy are strictly followed. Do not talk to your neighbor when the class is in progress. Take good notes and be attentive to answer questions. Have a wonderful semester!
LIST OF TOPICS TO BE COVERED IN ECONOMICS 2010 CLASS

Topic 1: A few definitions, (e.g. Economics, Economic system opportunity costs, factors of production) A technique of drawing and reading graphs.

Topic 2: Demand and Supply: Laws, their explanations, change in demand and change in quantity demanded, market demand curve.

Topic 3: Market Equilibrium: The market mechanism and reaching to equilibrium, Paradox of flexibility, groups of individuals affecting market price, governmental policy of price control.


Topic 6: Consumption function: autonomous consumption and mpc, saving function, investment function, equilibrium of GDP. Big deal of GDP equilibrium.

Topic 7: Changes in investment and GDP: multiplier process mathematical derivation and explanation. Fiscal policy and Keynesian answer to depressionary economy.

Topic 8: Money and Banking in the US: Types of US money supply, definition of money, evolution of money, functions of money and barter economy. Banks in the US, function sof bank and simplified model of money creation. (internet use is recommended).

Topic 9: Control and regulation of Banks: Federal Reserve System: Layers of authority, their specific functions, ways to change the US money supply. (Use of internet is recommended).

Topic 10: Monetary theory: Classical economists' monetary theory, quantity theory of money, conclusion and criticisms of quantity theory.

Topic 11: Keynesian monetary theory, Keynesian chain, Liquidity of trap and optimum monetary policy, pegging the interest rate.

Topic 12: Critics of Keynes: Monetarists, Monetarists' monetary theory, stability of demand for money, revision of quantity theory, monetary rule, transmission mechanism of monetary theory according to monetarists. Controversy between Keynesians and monetarists about optimum monetary policy.