# PRINCIPLES OF MACROECONOMICS

ECON. 201

T.A.: 

## R.G. STEINMAN

MWF 2:00-2:50

Geol 121

Office Hrs:

Office: Econ Bldg, Rm #5

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## READING ASSIGNMENTS - FALL 1984


There are required reading materials at Kinko's, which you must purchase as a package deal.


<table>
<thead>
<tr>
<th>WEEK OF</th>
<th>TOPIC</th>
<th>ASSIGNMENT</th>
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<tbody>
<tr>
<td>Sept. 5</td>
<td>I. Introduction to Economics: What's It all about?</td>
<td>Sch: chp. 1 &amp; appendix chp. 21</td>
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<td>Sept. 12</td>
<td>II. Historical Perspective: Smith, Marx, Keynes, &amp; Paradigm Changes</td>
<td>Kinko's: Section I</td>
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<td>Sept. 17</td>
<td>III. The Trend of Things in America</td>
<td>Kinko's: Section II</td>
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<td></td>
<td>A. GNP and Growth</td>
<td>Kinko's: Section III</td>
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<td></td>
<td>B. Trends in Income Distribution</td>
<td>Sch: chp. 17(379-386)</td>
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<td>C. The Drift Toward Big Business</td>
<td>Sch: chp. 3(54-65)</td>
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<td>D. The Rise in Government</td>
<td>Sch: chp. 5</td>
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<td>E. Unemployment</td>
<td>Sch: chp. 6</td>
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<td>F. Inflation</td>
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<td>Sept. 26</td>
<td>IV. The Nature of the Science Today</td>
<td>Reread Sch: chp. 1</td>
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<td>A. A Discussion of the Hypothesis</td>
<td>Sch: chp. 2(49-51)</td>
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<td>B. An Introduction to the Circular Flow</td>
<td>Sch: chp. 21(29-34)</td>
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<td>Oct. 3</td>
<td>V. An Overview of Pricing Theory: Supply &amp; Demand</td>
<td>Sch: chp. 2</td>
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<td>A. The Market</td>
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<td>B. Limitations of The Market</td>
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<td>Oct. 8</td>
<td>VI. National Income Accounting</td>
<td>Sch: chp. 4</td>
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1st Midterm to Follow This Section

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<thead>
<tr>
<th>Oct. 15</th>
<th>VII. Classical Economics</th>
<th>Kinko's: Sect. VIII (read only I. Classical/Neoclassical of the Inflation and Unemployment paper)</th>
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<tr>
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<td>A. Discussion of the Foundations</td>
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<td>B. Inflation and Unemployment in the Classical System</td>
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<td>C. Policy Conclusions</td>
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Oct. 19  
VIII. KEYNESIAN MACROECONOMICS  
A. Historical Perspective  
B. Criticisms of Classical Theory  
C. Income Determination  
D. Inflationary & Recessionary (Deflationary) Gaps  
E. Fiscal Policy Implications and the Complex Spending Multiplier  
F. Budget Deficits and the Balanced Budget  

Kinko's: Sect. VII & VIII  
(read II, Keynesian of the Inflation and Unemployment paper)  
Sch: chp. 7  
Sch: chp. 8  
Sch: chp. 9  

Nov. 7  
IX. Money  
A. Nature of Money  
B. The Organization of the Banking System  
C. The Creation of Money  

Sch: chp. 10(221-228)  
Sch: chp. 11(241-244)  
Sch: chp. 10(228-240)  

Nov. 13  
X. Monetary Policy and Macroeconomics  
A. Tools of the FRS  
B. The Keynesian/Monetarist Debate  

Sch: chp. 11(244-260)  
Sch: chp. 12  

THANKSGIVING BREAK: No Class: Friday, Nov. 23  
Class resumes: Monday, Nov. 26  

2nd MIDTERM TO FOLLOW THIS SECTION  

Nov. 30  
XI. Contemporary Theories: Problems and Solutions  
A. Stagflation  
B. Phillips Curve:  
The structural sources of unemployment & Inflation and suggested solution  
C. Supply Siders  
D. Reaganomics  

Kinko's: sect. XI  
Kinko's: sect. VII & VIII  
(read III-VIII of the Inflation and Unemployment hand-out)  
Sch: chp. 5 & 6  
Sch: chp. 13 (288-291)  
Sch: chp. 13  
Sch: chp. 15  

Dec. 10  
XII. Economic Theory vs. Economic Performance: Rules vs. Discretion  

Kinko's: sect. XII  
Sch: chp. 14  

Dec. 14  
XIII. Cycles, Growth, and the Gov't. Sector  

Kinko's: sect. XIII  
Sch: chp. 17  
Sch: chp. 3 (67-77)  

Dec. 20 - FINAL EXAM: (Thursday, 7:30-10:30 a.m.)  
GOOD LUCK  
DO WELL !!!
GRADING POLICY

I. EXAMS
Exams count 80% of your grade. They are broken down as follows:

1st Midterm: 20%
2nd Midterm: 25%
Final: 35%

If you miss an exam and do not have a legitimate excuse and let me or your TA know it, you will receive a zero.

If you miss an exam and have a legitimate excuse and let me or your TA know it, the weight of your final increases proportionately.

THERE WILL BE NO MAKE-UP EXAMS!

Your final is weighted 35% IF the grade you receive on your final is equal to or lower than the average of your two midterms.

Your final is weighted 80%, i.e., it will be your whole exam grade, IF the grade you receive on it is higher than the average of your two midterms AND you have done all the required assignments in the course (quizzes, homework).

II. RECITATION
Recitation will count 20% of your grade. This includes an objective element, the average of your quiz grades and homework assignments, and a subjective element, your attendance, your participation, your willingness to seek out help to learn more.

The recitation grade can pull you up or down if you are a borderline case. So it really does make a difference in a lot of cases.

There will be 4 quizzes in recitation, and it is up to the discretion of your teaching assistant whether or not he will drop one and whether or not some will be take-home quizzes.