Learning Economics  Everyone should have an understanding of the basic principles of economics. Why? Because regardless of the type of social organization, there is an economic component of human societies which touches all of its members. Individually and collectively, we all must make economic decisions and we are all affected by the actions and decisions of others. Thus, if everyone better understands the economic interconnections of our lives, then better decisions will be made and at less cost (time, frustration, etc.). In short, everyone benefits from living in a well-informed society. See the course outline for a general list of topics we will cover.

In general, economics consists of three learning levels. I have found that by keeping in mind these three levels, students generally understand the material better, get higher grades, and more thoroughly enjoy the course. The levels are:

1. terminology and basic facts,
2. mechanical exercises, and
3. analytical applications.

No matter what the discipline, when discussing concepts and their applications, some information that is common to all is a necessity. The terminology and basic facts of economics provides this common information and there is really no other way but to memorize this stuff. On the other hand, mechanical exercises provide the much-needed practice for learning economic tools and concepts, and cannot be memorized. Of course, all of the terminology, facts, and tools that you learn would be useless if you never applied them. By applying the information you learn to meaningful problems and everyday issues, you develop the skills and conceptual understanding that are essential to a good working knowledge of economics. And after all, to gain a good working knowledge of economics is why you are here, right? Let me add that economics is the type of subject in which the more problems you work through the better. In order to gain a good working knowledge of economics, you must practice, practice, practice! I cannot stress this enough.

Resources  The required text for the course is *Macroeconomics: Principles and Policy*, by William J. Baumol and Alan S. Blinder, 6th Edition. The Study Guide for the text is written by Craig Swan. Other resources you will find useful include myself, your TA, and news media such as the *Wall Street Journal* (which is not strictly a financial newspaper).

Grades  Your final letter grade for the course will be based primarily on your recitation grade (20%) and on your performance on three midterm exams a final exam (20% each). You may choose to miss one of the three midterm exams. In this case, your score on a missed exam will equal the minimum score of the exams you do take. The University states that everyone must take the final exam. The final exam is scheduled by the University for Thursday, May 9th, from 7:30 to 10:30 a.m. If you cannot make this exam do not take this course.
Course Outline

Material Comprising Exam 1:
1. Introduction (Chapters 1&2)
2. Essential Concepts (Chapters 3&4)

Material Comprising Exam 2:
3. What is Macroeconomics? (Chapter 5)
4. Unemployment and Inflation (Chapter 6)
5. Income and Spending (Chapter 7)
6. Demand-Side Equilibrium (Chapter 8)
7. Changes in Demand (Chapter 9)
8. Supply-Side Equilibrium (Chapter 10)

Material Comprising Exam 3:
9. Fiscal Policy (Chapter 11)
10. Money and the Banking System (Chapter 12)
11. Monetary Policy (Chapters 13&14)
12. Deficits and Debt (Chapter 15)
13. Inflation and Unemployment (Chapter 16)

Material Comprising Exam 4 (final exam):
14. Productivity and Growth (Chapter 17)
15. International Trade (Chapter 18)
16. International Finance (Chapter 19)
17. Open Economy Macroeconomics (Chapter 20)
18. Growth and Developing Countries (Chapter 21)