

ECONOMICS 10233
Introductory Macroeconomics
Dr. John T. Harvey (Fall 2006)

PURPOSE: This course will familiarize the student with the determinants of employment, growth, and inflation in the macroeconomy and will provide an introduction to the various schools of thought in economics. The approach includes reference to both the history of the discipline of economics and the economic history of the United States.

PREREQUISITES: Introductory Microeconomics—SUSPENDED FOR FALL 2006!

REQUIREMENTS: Each student will have three opportunities to demonstrate their understanding of the course material. The relative weights are as follows:

First exam	30 points
Second exam	30 points
Final exam	<u>+40 points</u>
	100 points

The final is cumulative (though not over ALL the material we covered on exams one and two). Grades will be assigned as follows (parenthetical references are to the **TCU Undergraduate Studies Bulletin** definition of the performance necessary for the assignment of each grade):

100 to 89.5 points	A (Exceptional)
89.4 to 79.5 points	B (Superior)
79.4 to 69.5 points	C (Satisfactory)
69.4 to 59.5 points	D (Poor)
59.4 or less	F (Failure)

GRADING ON IMPROVEMENT: I have always thought it fair to raise a student's grade when she showed significant improvement over the course of the semester. However, I am (for the reasons stated above) very uncomfortable with arbitrarily determining the bonus. Oh happy day! I have come up with a formula to use in this regard! Get out your calculator...

First off, because it is cumulative and will reflect your knowledge of **all** the course material, improvement is linked to your final exam score. To determine your *improvement bonus* first convert all your scores into percentages (e.g., 90% instead of 27/30). Then subtract your lower of your first two exam scores from your final exam percentage and divide that total by 10. That is your bonus, and it will be added to your course total. Note that theoretically the bonus can vary from 10 percentage points (with a 100% on the final and a 0% on either exam one or exam two) to 0 (with a final exam score that does not exceed your lowest score).

ABSENCE POLICY: The TCU Faculty/Staff Handbook requires that faculty be aware of the attendance of students and, if necessary, report frequent absences. In this class "frequent" will be defined as three or more.

FINAL EXAM: Our final is scheduled for Wednesday, December 13 at 8:00am. Only those students with more than two final exams in a twenty-four hour period are permitted to reschedule any finals. **According to University policy, the student must prove that this exceptions applies and this must be done prior to the last week of regular class sessions before final examinations.**

REMINDER: Economics majors must earn a C or better in order to count economics courses toward their economics major.

MAKEUP EXAMS: Our class will meet on the last regularly scheduled day of class (Wednesday, December 6) at our regular class time to take any makeups necessary. **The student need not contact the instructor with an excuse to take a makeup.** Simply miss the regular exam day and you are entitled to take the makeup. Only one exam may be missed in this manner, however. Before any other such incidents I must be contacted **before the time of the exam.**

ACADEMIC HONESTY: I do my utmost to see to it that those who are studying hard in my course get full credit for their work and that they are not cheated by classmates. I do this primarily by removing temptation and closely monitoring all exams. However, in the event that my vigilance is not sufficient and a case of academic dishonesty does come to my attention, I give my word to the honest members of the class that the offending party will be prosecuted to the full extent allowed by University policy.

Students are not the only ones who should be held to a moral standard in the process of determining course grades. It is equally vital to the integrity of the course that the instructor maintain the highest level of honesty. I promise everyone that, first, no student will have a grade changed simply because they made inquiries regarding my evaluation. Nor will someone in our class receive a higher grade on the basis of "need" (to keep a scholarship, to stay in school, to receive Economics credit, to not be killed by parents, etc.). If those are to be criteria for the determination of grades, then they should appear in the syllabus as assignments. Furthermore, the exams will be graded blindly (i.e., no names) and, at the end of the semester, the one and only place I will look to calculate students' grades will be their cumulative performance on the tests. The standard I will apply in determining letter grades absolutely will be the one listed above, and **I promise that it will be the same for everyone.** Finally, I feel very strongly that it is each student's right to understand how their grade was determined, and I am always happy to fully explain any questions you may have.

CLASSROOM ETIQUETTE: Among my responsibilities is ensuring that students find the classroom environment one in which it is easy to concentrate on the material I am presenting. Fortunately, in my experience, the VAST majority of students already know exactly how to conduct themselves in a college classroom. However, if you find that someone's behavior is distracting you, please feel free to inform me and I'll take care of the situation. In the meantime, I'll do my best to keep disturbances (talking, in particular) to a minimum. **Everybody pays the same tuition and you have every right to be able to focus on the lecture.**

TEXT: The main reading is available on the website for the course: <http://www.econ.tcu.edu/harvey/course.html>. There are also two required texts on sale at the TCU Bookstore: Clayton, Gary E. and Martin Gerhard Giesbrecht, **A Guide to Everyday Economic Statistics**, New York: McGraw Hill and Heilbroner, Robert and William Milberg, **The Making of Economic Society**, Englewood Cliffs, N.J.: Prentice Hall.

BLUE BOOKS FOR EXAMS: I would appreciate it if you would purchase Blue Books for each of the exams. Please have these to me by September 22. If you do, I'll add 0.5 pts to your final course grade!

CALCULATORS AND TRANSLATORS: You will never need a calculator for my exams. Those students for whom English is not their native language may bring a dictionary, but not an electronic one. Please let me see the dictionary before class.

PICTURE DAY: By golly gosh, you are paying a lot of money to come to TCU (well, someone is)—you deserve to have your professors know your name! So, on the second or third day of class I'll be taking all your pictures (to which you'll add your names later) so that I can study, study, study. By exam one I should know everyone's name AND which face it goes with!

WEEK	TOPIC
#1 end Aug 25	Introduction to course (grading, assignments, philosophy, etc.) " " " "
#2 end Sep 1	Homo sapien Economic Behavior Two General Frameworks Orthodoxy (or Mainstream or Neoclassical or Classical) History of western science Economic behavior as natural Economic behavior as law governed greed rationality desire to trade Laws operating in systems: the market The market as self regulating Deduction vs. induction Political Individualism
#3 end Sep 11	Institutionalism Continued history of western science Economic behavior as cultural and evolutionary Economic behavior as evaluated by society ceremony (cultural relativism...not!) instrumentality (pragmatism) Economic behavior as holistic circular causation Economy as part of social whole
#4 end Sep 18	Marxism Labor theory of value and exploitation The march of time (Geist) and the inevitable collapse of capitalism The communist state: guaranteed low unemployment and just distribution of output Unemployment: Introduction definitions costs (l.t. vs s.t.)
#5 end Sep 25	Unemployment: The Labor Market (focusing on Great Depression) Orthodox Full employment: assumption and result Graphical Exposition Solution to G.D.--lower standard of living Graphical Exposition Incentive to lower wages Firms Potential Workers *****EXAM ONE***** (Sep 25)

- #6
end Oct 2
- Keynes (& Institutionalist)
 - Basic cause (again)
 - Graphical Exposition
 - No incentive to lower wages
 - Firms
 - Workers
 - [Unemployed]
 - No reason to lower wages
- #7
end Oct 11
- Say's Law**
 - Orthodox view
 - ALL income will be spent
 - Everyone can be employed profitably
 - Loanable funds theory of interest
- #8
end Oct 18
- Keynes' view
 - Rejection of Orthodox interest rater theory
 - Liquidity preference theory of interest
 - Future uncertain
 - Reason to hold cash
 - Money supply and creation
 - Endogenous vs. Exogenous Money
 - Demand for money
 - Hoarding (to not spend)
 - Borrowing (to spend)
- #9
end Oct 25
- Limit to employment
 - Full employment a coincidence
 - Where does labor demand fall?
 - Consumption industry
 - multiplier process
 - Investment industry
 - long-term expectations
- #10
end Nov 1
- Inflation**
 - Orthodox view
 - demand pull vs. cost push
 - problem: allocation
 - Institutionalist view
 - demand pull vs. cost push
 - problem: distribution
- *****EXAM TWO***** (Nov 1)
- #11
end Nov 8
- National Debt and the Deficit**
 - Popular view
 - Economic view

#12
end Nov 15

Policy Recommendations
Orthodox: nothing to solve!
Keynes:
 Solution to G.D.--create employment
 "Stuff" vs. Distribution
 Socially acceptable
 Non-profit
 Flexible
 Fraction of unemployment

#13
end Nov 27

International Economics
Trade Theory
 Orthodox
 Institutionalist

#14
end Dec 4

Exchange Rates and Capital Flows
 Orthodox
 Institutionalist

*******Makeup Exams******* (see page one)

*******Study Days******* (December 7 & 8)

*******FINAL EXAM******* (see page one)

INSTRUCTOR INFORMATION:

Office: Somewhere in the Economics Building (can't remember the number!)
Phone: 257-7230 or 257-6235 (office--the latter is the direct line); 924-9016 (home: please do not call here past 8:00pm or during The Simpsons!). Hey, I got a cell phone! (817)223-4497
E-mail: j.harvey@tcu.edu (note: you'll hit my spam filter if it's your first note to me)

B.A. Economics and Political Science, U. of Tennessee 1983.

M.A. Economics, U. of Tennessee 1986.

Ph.D. Economics (international, macroeconomics, history of economics), U. of Tennessee 1987.

Owner, General Manager, Coach, and Fan Club President of the Westcliff Colts, the Fort Worth Football League World Champions in 1989, 1992, 1994, 1997, and 1998.

Owner, General Manager, Coach, and Fan Club President of the Heidenheim Panzers, the DAK Football League World Champions in 2005.

Procedures for Students with Disabilities

Texas Christian University complies with the Americans With Disabilities Act and with Section 504 of the Rehabilitation Act of 1973 regarding students with disabilities. No otherwise qualified individual shall be denied access to or participation in the services, programs and activities of TCU solely on the basis of a disability. The University shall provide reasonable accommodations for each eligible student who (a) has a physical or mental impairment that substantially limits a major life activity, (b) has a record or history of such an impairment, or (c) is regarded as having such an impairment.

Each eligible student is responsible for presenting relevant, verifiable, professional documentation and/or assessment reports to the Coordinator for Students with Disabilities. Information concerning a student's disability is treated in a confidential manner in accordance with University policies as well as applicable federal and state laws. Documentation presented to the Coordinator shall be reviewed by appropriate University professional(s) to verify the existence of a disability. Further documentation may be required from the student to substantiate the claim of a disability or to assist the University in determining appropriate accommodations.

Eligible students seeking accommodations should contact the Coordinator as soon as possible in the academic term for which they are seeking accommodations. The Coordinator shall prepare letters to appropriate faculty members concerning specific, reasonable academic adjustments for the students. The student is responsible for delivering accommodations letters, conferring with faculty members, and returning validation of the receipt of information to the Coordinator. The Coordinator shall consult with the student and with University faculty and staff to ensure delivery of appropriate support services and shall serve as liaison between the student and the faculty member as needed.

Students who wish to appeal a decision regarding appropriate accommodations shall do so in writing to the Affirmative Action Officer, who shall decide the appeal. The Affirmative Action Officer's decision may be appealed within 7 calendar days in writing to the Provost, whose decision may be appealed in writing within 7 calendar days directed to the Chancellor. At any step during such an appeal, the person deciding the appeal may confidentially consult with appropriate professionals/advisors within or outside the University.

The Coordinator for Students with Disabilities may be contacted at the Center for Academic Services, Texas Christian University, TCU Box 297710, Fort Worth, Texas 76129, (817) 257-7486.