

Master of Liberal Arts 60633
The Role of Capital in the Domestic and International Economy
Dr. John T. Harvey (Spring 2010)

PURPOSE: This course will familiarize the student with the role of capital (both financial and physical) in the macroeconomy, especially with respect to the stock market, social security, federal government budgeting, and international finance.

REQUIREMENTS: Each student will have three in-class opportunities to demonstrate their understanding of the course material, plus homework. The relative weights are as follows:

| | |
|-------------|----------------------------|
| Homework | 20 points (2.5 pts each) |
| First exam | 25 points (Feb 9) |
| Second exam | 25 points (Mar 23) |
| Final exam | + <u>30 points</u> (May 4) |
| | 100 points |

Grades will be assigned as follows (D's are not assigned in the MLA program):

| | |
|---------------------|-----------------|
| 100 to 89.5 points | A (Exceptional) |
| 89.4 to 79.5 points | B (Superior) |
| 79.4 to 69.5 points | C (Medium) |
| 69.4 or less | F (Failure) |

GRADING ON IMPROVEMENT (exams only): 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 22.5/25). 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).

TEXT: We use Heilbroner and Milberg's **Making of Economic Society** and Clayton and Giesbrecht's **Everyday Economic Statistics** (both available at the bookstore). Additional reading is available on the website for the course: <http://www.econ.tcu.edu/harvey/course.html>.

BLUE BOOKS FOR EXAMS: I would appreciate it if you would purchase Blue Books for each of the exams. In fact, anyone giving me **all three** by Tuesday, February 2 will have 0.5 pts added to their final grade.

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!

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. Speaking of the latter, section 3.4 of the Code of Student Conduct¹ defines academic misconduct as including but not limited to cheating, plagiarism, collusion, abuse of resource materials, computer misuse, fabrication and falsification, multiple submission, complicity in academic misconduct, and bearing false witness (definitions of each are available from the link in footnote 1).

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.

DISABILITIES STATEMENT: Texas Christian University complies with the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973 regarding students with disabilities. If you require accommodations for a disability, please contact the Coordinator for Students with Disabilities in the Center for Academic Services, located in Sadler Hall 11. Further information can be obtained from the Center for Academic Services, TCU Box 297710, Fort Worth, TX 76129, or at 817-257-7486.

Adequate time must be allowed to arrange accommodations and accommodations are not retroactive; therefore, students should contact the Coordinator as soon as possible in the academic term for which they are seeking accommodations. Each eligible student is responsible for presenting relevant, verifiable, professional documentation and/or assessment reports to the Coordinator. Guidelines for documentation may be found at <http://www.acs.tcu.edu/DISABILITY.HTM>.

Students with emergency medical information or needing special arrangements in case a building must be evacuated should discuss this information with their instructor/professor as soon as possible.

FINAL EXAM: The final is scheduled for Tuesday, May 4, at our regular time.

INSTRUCTOR INFORMATION:

¹The Code of Student Conduct can be found here:: <http://www.sa.tcu.edu/handbook/code.htm>.

Office: Somewhere in the Economics Building
Phone: 257-7230 or 257-6235 (office—the latter is the direct line, but calling my office is not the best way to get in touch with me); 924-9016 (home: please do not call here past 8:00pm or during **The Simpsons**). Ooooh, I have a cell phone now! The number there is 817-223-4497.
E-mail: j.harvey@tcu.edu or j.harvey@charter.net. I have a spam filter, so if it's the first time you have e-mailed me then you may be directed to a web page to clear your message (or I can do it myself when I check my mail).

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.

| WEEK | TOPIC |
|----------------|---|
| #1 Jan 12 | Introduction to course (grading, assignments, philosophy, etc.) Tools and Definitions |
| #2 Jan 19 | The Harvey Test Basic Macroeconomic Theory: The Critical Role of Physical Capital Formation |
| #3 Jan 26 | Basic Macroeconomic Theory: The Critical Role of Physical Capital Formation HOMEWORK #1 DUE! |
| #4 Feb 2 | Basic Macroeconomic Theory: The Critical Role of Physical Capital Formation HOMEWORK #2 DUE! |
| #5 Feb 9 | EXAM ONE |
| #6 Feb 16 | The Stock Market: The Drama of Financial Capital Movements HOMEWORKS #3&4 DUE! |
| #7 Feb 23 | The Stock Market: The Drama of Financial Capital Movements |
| #8 Mar 2 | Government Spending and Debt: The Public Sector and Portfolio Capital HOMEWORKS #5&6 DUE! |
| #9 Mar 9 | Government Spending and Debt: The Public Sector and Portfolio Capital (Drop Deadline March 11) |
| #10 Mar 23 | EXAM TWO |
| #11 Mar 30 | Social Security: Public Sector Savings |
| #12 Apr 6 | US Macro Performance |
| #13 Apr 13 | US Macro Performance |
| #14 Apr 20 | Capital and Economic Development HOMEWORK #7 DUE! |
| #15 Apr 27 | Capital and Economic Development HOMEWORK #8 DUE! |
| Final May 4 | FINAL EXAM |