Econ 1a - Course Description: Introduction to Macroeconomic Analysis. An introductory inquiry into the workings and interrelationships of the aggregate economic system. The primary focus is on total production and its distribution, employment and price levels, and the forces influencing them. Other considerations are the roles of government, the monetary sector, and related areas. 3 units. No Prerequisites. Satisfies D1a General Education Requirements.

All information regarding this class can be obtained through SacCt at: http://online.csus.edu/

To access the course information you must be registered for this class and have an active saclink account. I will expect you to check your mail through SacCt at least twice a week.

Macroeconomics

Macroeconomics is the study of issues that affect the economy as a whole, especially unemployment, inflation, and economic growth. Macroeconomics asks such questions as: Why is there unemployment? Why is there inflation? What causes an economy to grow? Why do different economies grow at different rates? What policies will achieve satisfactory rates of unemployment, inflation, and growth?

The general answer to the first four questions appears simple: Somehow, unemployment, inflation, and growth are the collective result of the decisions that the 6 billion people in the world make about such issues as how much to consume, save, work, produce, and invest. The specific answer, however, is more complicated. These decisions involve the interrelationships and interdependencies of trillions of daily decisions. Nevertheless, how they all work out is what macroeconomic theory is all about. The answer to the fifth question – the policy question – is even more complicated because it depends on the answers to the first four questions.

In macroeconomics we learn about how these trillions of decisions interact with each other and determine unemployment, inflation, and growth. We pay particular interest to the role of policy makers and their affect on the economy.

In developing the answers to these questions, you will be introduced to the economic way of thinking. As different as economists are, they generally attack a question in a particular way.

The Economic Way of Thinking

Economists answer two types of questions: positive and normative. Positive economics concerns the forces that affect economic activity, and predicts the consequences of alternative actions. It answers the questions, “What is?” or “What will be?” Normative economics answers the question, What ought to be?

How do economists think about problems and decision-making? First, economists use assumptions to simplify and facilitate learning. By making assumptions, economists can focus on what really matters for a question. Economists make two key assumptions:
Key assumption 1: People act in their individual self-interest.

Key assumption 2: People make informed decisions.

To further simplify the analysis, economists explore relationships between two variables invoking the Ceteris Paribus assumption. The *Ceteris Paribus* assumption is that when we consider the effect of changes in one variable, we hold all other variables constant.

Economists consider small, incremental changes in a variable to determine whether it is desirable to change the level of that variable. To do this, economists look at the marginal cost and marginal benefit of increasing the variable (for example years in school, CDs purchased, etc.) by one unit. If the marginal benefit is greater than the marginal cost, the agent should increase the variable.

**Macroeconomic Topics**

Although macroeconomics is the study of the aggregate economy, we study how individuals of disparate backgrounds are affected by the economy in which they operate. In particular we look at the following topics and how the decisions and experiences of individuals are altered under different circumstances.

- Markets: Supply and Demand
- Markets in a Global Economy
- Measurement in an Economy
- Long Run Economic Growth
- Short Run Economic Fluctuation
- Fiscal and Monetary Policy

**Learning Objectives**

By the end of this course, students should be able to:

- Understand what is economics and macroeconomics
- Apply the economic way of thinking to everyday decisions
- Discuss what makes economies grow over time and how this leads to increases in the standard of living for individuals
- Illustrate the role of policy in achieving macroeconomic policy goals
- Discuss the economy in a global context

**Reading:**

- The Textbook for this course is *Macroeconomics: Principles, Applications, and Tools (sixth edition)* by Art O'Sullivan, Steven Sheffrin, and Stephen Perez. There are many ways to purchase this book at different prices.
  - A traditional book with the MyEconLab access code combined
  - A loose-leaf version with the MyEconLab access code combined
  - Online version purchased directly from MyEconLab ([www.myeconlab.com](http://www.myeconlab.com)).

See notes below.
Grading:

Approximately,
- 90 or above = some sort A
- 80 - 89 = some sort of B
- 70 - 79 = some sort of C
- 60 - 69 = some sort of D
- otherwise F.

Homeworks (15%):
- You access and submit your homework through MyEconLab. I will drop your lowest homework score. Homeworks are intended to help you work through the material. You will have a chance to check your answers and redo the assignments.

Quizzes (20%):
- You access and submit your quizzes through MyEconLab. I will drop your lowest quiz score. Quizzes are intended to see what you’ve learned. You will only be able to do them once and will not be able to check your answers.

Class Participation (5%)
- There will be several quick writing assignments in class. Generally, I will ask you what you didn’t understand in class that day (however, it may be something else). These will each have one point possible. If you come to class, write well, and put some effort into the quick assignment, you will get full credit for that assignment.

Exams (20% each):
- There are three exams (two midterms and a final). Exams are on the dates below (room to be announced).
  - Midterm 1 – Friday, Sept. 24th, 9:00-9:50
  - Midterm 2 – Friday, Nov. 5th, 9:00-9:50
  - Final Exam – Friday, Dec. 17th, 8:00-10:00
- Each exam is multiple choice
- The final is not comprehensive.

Policies:
- **Makeup policy**: Makeup exams are only allowed for documented reasons.
- Attendance is highly recommended.
- Cheating is not tolerated. You should be familiar with the University policies regarding Academic Honesty (http://www.csus.edu/umanual/student/UMA00150.htm). If you are caught cheating result will depend on the severity of the offense. At a minimum, you will receive a zero on the exam and a letter summarizing the offense will be sent to Student Affairs. For extreme cases, you will fail the course and a letter summarizing the offense will be sent to Student Affairs.
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<th>Week</th>
<th>Topic</th>
<th>Assignment</th>
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<td>Ch. 1: Introduction: What is economics? Appendix: Using graphs and percentages</td>
<td>First Day of Class is August 30th</td>
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<td>2</td>
<td>Ch. 2: Key principles of economics</td>
<td>Sunday, HW and Quizzes for: Get Started, Ch. 1, and Ch. 2</td>
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<td>Ch. 3: Exchange and markets</td>
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<td>Ch. 4: Demand, supply, and market equilibrium</td>
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<td>Friday: First midterm, 9-24-10</td>
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<td>Ch. 5: Measuring output</td>
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<td>Ch. 6: Unemployment and Inflation</td>
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<td>Ch. 7: Long-run macroeconomics</td>
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<td>Ch. 8: Why do economies grow?</td>
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<td>Ch. 9: Aggregate demand and supply</td>
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<td>Ch. 10: Fiscal policy</td>
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<td>Ch. 12: Investment and financial markets</td>
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<td>Ch. 13 and 14: Federal Reserve and monetary policy</td>
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<td>Ch. 15: Modern macroeconomics</td>
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<td>Ch. 18: International trade</td>
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<td>Ch. 19: International finance</td>
<td>Sunday, HW and Quiz for Ch. 19</td>
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<td>Final</td>
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<td>Dec. 17th, 8:00 – 10:00</td>
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How to Register and Enroll in Your MyEconLab Course

Welcome to MyEconLab! Your instructor has set up a MyEconLab course for you.

To join your instructor's course, please complete the following two steps:
1. REGISTER for MyEconLab, and, 2. ENROLL in your instructor’s course

To Register for MyEconLab

To register, you will need a student access code and a course ID.

If you don’t have an access kit, you can purchase access online at http://www.myeconlab.com. You will have the choice to purchase access with or without a full etext. Once enrolled in your professor’s course, you will also have the option to purchase a discounted version of your text.

Textbook: O'Sullivan/Sheffrin/Perez: Macroeconomics 6e
Course Name: Introductory Macroeconomics - Perez
Course ID: XL0I-51DI-901Y-2RX2

Steps to Register:

1. Go to http://www.myeconlab.com and click the Student button, in the Register section.
2. Enter the course ID, XL0I-51DI-901Y-2RX2 and click Next.
3. Choose to register an access code (came with your new book) or purchase access if you don’t have an access kit/code.
4. Click the button to proceed to registration.
5. Follow the instructions to create your account.
6. Click the link to login. You’ll be directed to http://www.myeconlab.com, where you can enter the user name and password you just created. Click the login button.
7. The first time you enter the site you’ll be asked to enter your course ID. Enter your course ID, XL0I-51DI-901Y-2RX2.
8. Be sure to click on the Browser Check link on the Announcements page or in the upper right of the screen the first time you login and anytime you use a new computer. This wizard will walk you through the installation of the software you will need to use the MyEconLab resources (such as Flash).

   Note: the software may already be installed in the school lab, so in that case check first with your lab administrator.

To log into MyEconLab

1. Go to http://www.myeconlab.com
2. Enter the user name and password you just created, and click Log In (or hit the enter key).

   If you purchased access, visit the Student Center inside your Instructor’s Course for additional purchase options.

Note: If you are taking two MyEconLab courses simultaneously you will need two separate login accounts.

Need Help? For assistance, please visit http://www.myeconlab.com/support.