

CENTRAL TEXAS COLLEGE
SYLLABUS FOR ECON 2301
MACROECONOMICS

Semester Hours Credit: 3

INSTRUCTOR:

OFFICE HOURS:

I. INTRODUCTION

- A. The purpose of this introductory course in economics is to enable the student to gain an understanding and an appreciation of the nature and significance of economic activities, conditions, and institutions. Economics is a course that enlightens all students, but is especially significant to those who plan to pursue careers in business. An understanding of economics provides the student with a working knowledge of the economic system in which he/she is able to make his/her living. Economics also sheds light on many government's actions, which affect business operations and individual financial decisions. Topics include an analysis of the economy as a whole including measurement and determination of Aggregate Demand and Aggregate Supply, national income, inflation, and unemployment. Other topics include international trade, economic growth, business cycles, and fiscal policy and monetary policy.
- B. This course is a required course for all business related majors since economics is considered as the parent field of accounting, finance, management and marketing. This course is an elective course, which can be used to meet the Social/Behavioral Science Elective requirement listed in the Central Texas College Catalog. Students who plan to transfer to other institutes for degree completion ought to consult with officials of the receiving school for degree requirements and transfer policy.
- C. Economics is the study of the manner in which society operates to allocate efficiently its scarce resources. The study of economics has two general categories. **Macroeconomics** (ECON 2301) examines the economy as a whole and the impact of government's activities and decisions. Introduction to economic analysis, price-level changes, the creation of money, the Federal Reserve System and monetary policy, the national accounts, the consumption function, taxation, fiscal policy, public debts, the theory of economic growth and population problems, and foreign economic policy. This course is separate from **Microeconomics** (ECON 2302) which studies the ways that firms and households make economic decisions.
- D. In support of the objectives of the Texas core curriculum, the course provides students with significant opportunities to exercise their critical thinking, communication skills, social responsibility, empirical and quantitative skills. Students will understand better their social responsibility while discerning their perception from the macroeconomic reality enables them to understand better their personal financial opportunities.
- Critical thinking skills include making inferences, creative thinking, analysis, evaluation, and synthesis of information.
 - Communication skills include mastery of the English language, effective development, interpretation and expression of personal ideas through written and oral media.
 - Empirical and Quantitative Skills include the aptitude to manipulate and

- analyze numerical data or observable facts to reach informed conclusions.
- Social Responsibility includes the ability to consider different intra and intercultural viewpoints and to work effectively with others to support a shared goal or purpose, knowledge of civic responsibility, and the ability to engage in regional, national, and global communities.

II. LEARNING OUTCOMES

Upon successful completion of this course, you will be able to

1. Describe the elements of economic theory, pitfalls to avoid in economic thinking, the distinction between microeconomics and macroeconomics, and the difference between normative and positive statements.
2. Explain the role of scarcity, specialization, opportunity cost and cost/benefit analysis in economic decision-making.
3. Identify the determinants of supply and demand; demonstrate the impact of shifts in both market supply and demand curves on equilibrium price and output
4. Define the concepts of unemployment, inflation, and business cycles. Students will learn about the definition and categories of unemployment, its natural rate, and the effects of the minimum wage. Students will also learn about the impact of inflation.
5. Measure an economy's income and output, the gross domestic product (GDP), the components of GDP, real versus nominal GDP, and GDP as a measure of economic well-being.
6. Discuss the relevance of the economic approach as applied to both real world situations and economic policy making at the MACRO (national or international) level.
7. Identify the phases of the business cycle and the problems caused by cyclical fluctuations in the market economy.
8. Be able to follow policy debates at the MACRO (domestic or foreign policy issues) in an informed, enlightened way by using economics to filter the news from the political pap.
9. Define money and the money supply; describe the process of money creation by the banking system and the role of the central bank.
10. Define bonds, stocks, and retained earnings. Students will learn to read a stock table. Students will also learn about the factors affecting the demand for and supply of loanable funds and the role the housing market played in the financial crisis of 2008.

11. Identify the powerful insights the basic economic tools of economic analysis yield for solving social problems. By learning economics, you learn how to think in a way that is applicable to just about everything that you see, do, or read.
12. Construct the aggregate demand and the short-run aggregate-supply curve, the long-run aggregate supply curve, and the equilibrium of aggregate supply and aggregate demand. Use the model to illustrate macroeconomic problems and potential monetary and fiscal policy solutions. Students will also learn the difference between the classical and the Keynesian macroeconomic models.
13. Construct the aggregate expenditure model. Using the aggregate expenditure model, students will have to identify whether the economy is operating at its equilibrium.
14. Describe the impact of changes in government purchases and taxes on real GDP, including the multiplier effect, automatic stabilizers, the crowding-out effect, and lags in implementation.
15. Describe the functions of money, measures of the money supply, money creation with fractional reserve banking, and the money multiplier.
16. Describe the demand for money, the Fed's tools of monetary control, the equation of exchange, and the challenges of monetary and fiscal policy.
17. Explain the mechanics and institutions of international trade and their impact on the macro economy.
18. Describe and predict the area in which economists agree and disagree in terms of MACRO policy debates.
19. Define the determinants and identify sources of economic growth and productivity. Cover the rule of 70 and economic growth policies.
20. Describe the balance of payments as well as fixed and flexible exchange rates.
21. See and foresee the relations existing among all social science fields (macroeconomics, microeconomics, psychology, sociology, anthropology, government, and history for example).

The activities presented in the lessons for this course help students master these course goals. For example, chapter 1 already explains the difference between macroeconomics (the focus of this course) and microeconomics.

III. INSTRUCTIONAL MATERIALS

The instructional materials identified for this course are viewable through
[“http://www.ctcd.edu/books.”](http://www.ctcd.edu/books)

IV. COURSE REQUIREMENTS

- A. **Attendance.** Students are required to attend classes regularly. No unexcused absences or "cuts" is allowed. You are responsible for all work covered in class during an absence, even in cases where you were able to satisfy the instructor that the absence was unavoidable. As a matter of policy, administrative excuses from classes are not provided for any reason. Students are required to be in class on time and to stay the full length of the class or an absence will be noted. **CELLULAR PHONES ARE NOT AUTHORIZED IN CLASS**

A1. Certification of Attendance

CTC policy (effective Spring 2017) requires that instructors certify as attending all students in the class the day after the census date. The census date is the twelfth class day. In order for a student to be certified as attending in this class, he/she must:

- Physically attend at least one class session on or before to the census date. Attendance is recorded on the daily sign-in sheet. Students who fail to sign in will not be given credit for having attended.
- Complete at least one of the following academically related activities on or before the census date. (These activities are not graded)
 1. Complete the Syllabus Review Assignment. Sign and return the "Completion Acknowledgement Form." on or before January 30, 2019. The instructor provides the form online to you on the first day of class. If you miss the first day, you must contact the instructor as soon as possible to complete it.
 2. Complete and submit Lesson 1 chapters 1 & 3 assignments given by the instructor and described on the syllabus under the paragraph (and table) entitled "Course Outline." The deadlines are January 30, 2019.
 3. Send the instructor an email indicating that you have read and understand the content of the course syllabus.

Students who fail to complete this certification of attendance requirement will be marked as "Never Attended" on the Census-Certification and dropped from the class.

A2. Withdrawing from the Class

The instructor cannot administratively withdraw a student from class. All students whose attendance is certified on the Census-Certification Roll will receive a letter grade of A, B, C, D, or F. Of course, final letter grades will depend on a student's performance.

Students who wish to withdraw from the class after the certification date should do so on or before the "last day to withdrawal." You can find that date listed on the academic calendar in the schedule of classes available on the CTC website.

It is the student's responsibility to know all deadlines and procedures related to withdrawing from the class. When in doubt, contact the Registrar's Office.

Appeals to withdraw after the "last day to withdraw" should be made to the Registrar's Office, not to the instructor.

- B. **Civility.** As adults attending College, individuals are expected to be aware of what constructive educational environment is and respectful of those participating in a learning environment. Failure to do so can result in disciplinary action up to and including expulsion.

Students are to act with civility in the classroom including:

Not talking in a disruptive manner,

Not sleeping,

Not doing homework for another course,

Not playing with internet or using it for an activity unrelated to the economics course,

Not reading material other than pertains to this course,

Not leaving class before the end of the class,

Not eating food or drinking a beverage unless permission is granted, and

Not using socially unacceptable language.

- C. **Transfer Credit.** To receive transferable credit for this course, the student must earn a grade of "C" or better. A grade of "D" usually will not transfer to other colleges.

- D. **Student Preparedness before class.** It is imperative that the student read the text before class. The student should keep a good set of notes. Development of note taking skills is essential to the reinforcement of learning and applying the materials obtained from this course.

V. EXAMINATIONS

This course is divided into five lessons: each one of them concentrates on a specific topic of macroeconomics. Details are included in the lessons. There will be chapter quizzes, a midterm, and a final exam to test your understanding of those macroeconomic topics. In addition, you will have a research paper/essay to provide to your instructor on or before the stated deadlines.

You will take the quizzes and do your homework assignments through Aplia. Your quizzes and homework assignments are located under "Lessons" in the course menu under the respective lessons.

Students will take the midterm and final exams in class. All exams and quizzes consist of multiple-choice questions. The midterm exam covers the first half of the semester (Ch. 1, 3-4, 6, 23-24, and 28) while the final exam spans through the second part of the semester (Ch. 25-27, and 29-30, and 33-34). Students must be present for all examinations and reports. Students who know in advance they will be absent from an examination, due to a valid DOCUMENTED reason, must arrange to take it early. Students with unexcused absences will earn a zero. The final examination may be taken ONLY DURING FINAL EXAMINATION TIME. See the Schedule Bulletin since it is the student's responsibility to

know the exact date and time of the final examination. If the student fails to take the final examination at the scheduled time, he/she will earn an "F": The grade "F" (No Final) will be submitted to the Central Texas Record's Office.

The students will be familiarized with methods used in research on different economic topics so they can read research reports critically and intelligently. You will bring to class your essay/research paper on the due date. Below are a recap of scheduled assignments and the instructions for the essay/research paper.

| Schedule of Assignments | | | |
|---|-----------------------|---|-----------|
| Lesson | Chapter(s) | Assignments | Due Dates |
| Lesson 1 (Introduction) | 1, 3-4,6 | chapter quizzes homework assignments (Aplia) | MM-DD |
| Lesson 2 (The Data of Macroeconomics) | 23-24, 28 | chapter quizzes homework assignments (Aplia) | MM-DD |
| Midterm Exam | 1, 3-4, 6, 23-24, 28 | Review chapter quizzes | MM-DD |
| Lesson 3 (The Real Economy, Money and Prices in the Long-Run) | 25-27, 29-30 | chapter quizzes homework assignments (Aplia) | MM-DD |
| Lesson 4 (Short-Run Economic Fluctuations) | 33-34 | chapter quizzes homework assignments (Aplia) | MM-DD |
| Lesson 5 Optional (Macroeconomics of Open Economies and Debates over Macroeconomic Policy) | 31& 36 | Bonus points: chapter quiz & homework assignment (Aplia) | MM-DD |
| Essay/Research Paper | | | MM-DD |
| Final Exam | 25-27, & 29-30, 33-34 | Review chapter quizzes | MM-DD |

Essay/Research Paper

Instructions:

Select one of the suggested research topics provided to you in class by your instructor and write an essay on it. Articulate your typed essay into 3 clearly separate sections:

- an introduction of the topic and its context,
- a development of the topic (body),
- a conclusion that recaps your main points along with introducing either your solutions to the problem on hand or a view into other avenues to research further such a topic.

The maximum length should be 2 pages in addition to the cover and the references pages. Follow the APA style of writing. Keeping in mind that this is a college level type of required effort, please make sure to write full sentences with a subject, a verb, and an extension to the phrase (direct object, etc...).

Plagiarism: Statement and Definition

"Students agree that by taking this course, all required papers, exams, class projects or other assignments submitted for credit may be submitted to SafeAssign or similar third parties to review and evaluate for originality and intellectual integrity."

Please read CTC's Plagiarism Policy below. For more information on Plagiarism, review the information here or at the website plagiarismd.org.

Plagiarism: Statement and Definition

Though no definition can be wholly inclusive, the following definition sets the boundaries on what is acceptable academic behavior while at CTC:

Plagiarism is an act in which a student uses someone else's words or ideas without due acknowledgment in order to gain some form of reward.

Certain words and ideas in this simple-sounding definition need to be clarified:

- "**uses someone else's words**" is the unacknowledged use either of any original or important words from another source, or three or more consecutive words from any unacknowledged source.
- "**uses someone else's . . . ideas**" includes use without acknowledgment of any interpretative idea, even a general idea taken from a general source, or any fact not in general knowledge. It also includes use of the paraphrased, altered, condensed, or simplified phraseology from an unacknowledged source. It is plagiarism when the unacknowledged use occurs in any written work, including "homework" or practice work that will be graded or is presumed to be the work of the individual presenting it.
- "**without due acknowledgment**" means any situation in which the instructor cannot tell that the writer is not the primary source of the ideas and/or words. Simply placing a work in a reference or works cited list is not enough. Neither is placing a parenthetical reference at the end of the paragraph. There is a clear need for both the accuracy of quotations marks, appropriately placed parenthetical references, and an accurate works cited page. If any one of these is missing, plagiarism could result.
- "**someone else's**" includes, but is not limited to, any work that has been published, including books, multi-volume works, academic journals, popular magazines, or any papers/notes produced as "study guides" or "study aids." It includes all electronic sources. The phrase also includes the use of any unpublished work, whether produced by a fellow student or not, whether borrowed, stolen, or paid for (including work from internet paper

services). It does not include broad general knowledge or lecture information given in the class for which the paper is written. The writer must check with the instructor to determine if the use of class/lecture notes is an acceptable source of information.

The phrase also includes excessive aid accepted from, or given to, other students, even in spoken form. Excessive aid, for instance, includes ideas dictated to a student and placed in the student's paper.

In English 1301 and English 1302, the phrase includes either allowing someone else to correct, amend, or edit (even verbally) work to be turned in for a grade, or doing such editing. The obvious exception is peer editing done in the class or with the consent of the instructor.

e. **"reward"** means benefit, tangible or intangible, received by any party involved in the acts of plagiarism or cheating.

Ignorance of the precise definition of plagiarism is no more an excuse than ignorance of the law is an excuse. It is up to the student to become aware of the general principles and the specific criteria of individual instructors.

Cheating: Statement and Definition

Cheating is more often than not more clear an offense than is plagiarism. Cheating is an act of

- a. giving, receiving, and/or aiding in either the giving or receiving of any unauthorized information during testing
- b. communicating the contents, general or specific, of any test or quiz to include the lending or borrowing of past tests or quizzes when the instructor has not specifically sanctioned this act,
- c. using in the testing area any covert and unacceptable means of receiving or giving information, and
- d. taking a test/quiz for another student.

Beyond tests and quizzes, if a student turns in one paper for two classes without gaining consent from both instructors, it is an act of dishonesty and, therefore, an act of cheating (i.e., receiving double credit for a single assignment).

Any time a student is in doubt about what he or she is going to do, it is the student's responsibility to check with the instructor before doing it. In addition, when you submit a paper there is the possibility that it be submitted to turnitin.com or other plagiarism detection sources. Such sources may allow free access to your paper by other internet users.

The CTC catalog is very clear regarding the consequences of plagiarism or cheating: "Students guilty of scholastic dishonesty will be administratively dropped from the course with a grade of 'F' and subject to disciplinary action, which may include suspension and expulsion."

V. SEMESTER GRADE COMPUTATIONS

This is what you are graded on:

| Grade Components | | |
|------------------------------|-----------------|------------|
| Component | Possible Points | Percentage |
| Chapter quizzes | 100 points | 10% |
| homework assignments (Aplia) | 300 points | 30% |
| Research Paper | 200 points | 20% |
| Midterm | 200 points | 20% |
| Final | 200 points | 20% |
| Total | 1000 points | 100% |

This is how your course grade will be determined.

| Course Grade Calculation | | | | | |
|--------------------------|----------|---------|---------|---------|-------|
| Grade | A | B | C | D | F |
| Percent | 90-100% | 80-89% | 70-79% | 60-69% | 0-59% |
| Points | 900-1000 | 800-899 | 700-799 | 600-699 | 0-599 |

Monitor your progress

You can check your grades throughout the course at <http://connect.mcgraw-hill.com>. After the course ends and your instructor has submitted grades, you can view your course grade at [WebAdvisor](#). Grades for the mid-term examination will be handed back during the class period following the test while those of the quizzes will be available instantly through the online grade book on <http://connect.mcgraw-hill.com> webpage. If you have ANY QUESTIONS regarding your COURSE GRADE please come by the office at the BEGINNING of the NEXT semester.

VI. NOTES AND ADDITIONAL INSTRUCTIONS FROM COURSE INSTRUCTOR

- A. Withdrawal from Course: It is the student's responsibility to drop officially a class if circumstances prevent attendance. Any student who desires to, or must, officially withdraw from a course after the first scheduled class meeting must file an Application

for Withdrawal or an Application for Refund. The withdrawal form must be signed by the student. Application for Withdrawal will be accepted at any time prior to Friday of the 12th week of classes during the 16-week fall and spring semesters. The deadline for sessions of other lengths is as follows.

11-week session Friday of the 8th week

8-week session Friday of the 6th week

5½-week session Friday of the 4th week

The equivalent date (75% of the semester) will be used for sessions of other lengths. The specific last day to withdraw is published each semester in the Schedule Bulletin.

Students who officially withdraw will earn the grade of "W", provided the student's attendance and academic performance are satisfactory at the time of official withdrawal. Students must file a withdrawal application with the college before they may be considered for withdrawal.

- B. An Incomplete Grade: The College catalog states, "An incomplete grade may be given in those cases where the student has completed the majority of the course work but, because of personal illness, death in the immediate family, or military orders, the student is unable to complete the requirements for a course..." Prior approval from the instructor is required before the grade of "IP" is recorded. A student who merely fails to show for the final examination will receive a zero for the final.
- C. Disability Support Services provide services to students who have appropriate documentation of a disability. Students requiring accommodations for class are responsible for contacting the Office of Disability Support Services (DSS) located on the central campus. This service is available to all students, regardless of location. Explore the website at www.ctcd.edu/disability-support for further information. Reasonable accommodations will be given in accordance with the federal and state laws through the DSS office.

VII. COURSE OUTLINE

A. Lesson 1: Introduction to Markets

This lesson covers chapters 1, 3-4, and 6 as it explores the basic principles of economics, the functioning of the market-oriented system with its limitations. The lesson concludes by assessing the role of government when the market fails and the extent of the desirability of government intervention in our market-based economies.

- 1. Unit Objectives: The objectives below reflect the important concepts of this lesson and should be used to guide your studies and your preparation for examinations.
 - When you successfully complete chapter 1, you will be able to
 - a) Describe the elements of economic theory, pitfalls to avoid in economic thinking.
 - b) Distinguish between microeconomics and macroeconomics, and the difference between normative and positive statements.

- When you successfully complete chapter 3, you will be able to
 - a. Explain the role of scarcity, specialization, opportunity cost and cost/benefit analysis in economic decision-making.
 - b. Explain the trade-offs associated with production. Topics include economic systems, circular flow, and the production possibilities curve.

- When you successfully complete chapter 4, you will be able to
 - a) Define the meaning of market demand and supply.
 - b) Show how market prices are established.
 - c) Explain what causes market prices to change.

- When you successfully complete chapter 6, you will be able to
 - a. Understand and explain the union of supply and demand.
 - b. Show the effects that shocks to supply and demand have on the equilibrium.
 - c. Explore the effects that different price controls have on the market.
 - d. Analyze the nature and causes of market failure.
 - e. Describe how government policies affect market outcomes.
 - f. Discuss the meaning of government failure.

2. Learning Activities:

- **Read** the assigned chapter(s) in the textbook to **prepare for lecture/discussion** on:
 - Chapter 1
 - Chapter 3
 - Chapter 4
 - Chapter 6

- **Test** your knowledge by solving the exercises at the end of chapters 1, 3-4, and 6.

- **Review** these PowerPoint slide shows:
 - Chapter 01

- Chapter 03
- Chapter 04
- Chapter 06
- **Watch** the videos that illustrate key concepts of Lesson 1.
- **Go to** the Aplia Assignment section to complete the homework assignments and take the lesson quizzes to test your knowledge of chapters 1, 3-4, and 6.

3. Unit Outline: Follows sequence of unit objectives.

B. Lesson 2: The Data of Macroeconomics

This lesson covers chapters 23-24, 28 to introduce students to the accounting of national income, inflation and unemployment.

1. Unit Objectives: The objectives below reflect the important concepts of this lesson and should be used to guide your studies and your preparation for examinations.
 - When you successfully complete chapter 23, you will be able to
 - a) Identify what GDP measures—and what it doesn't.
 - b) Explain the components of GDP.
 - c) Distinguish real versus nominal GDP, and explain why GDP is a measure of economic well-being.
 - When you successfully complete chapter 24, you will be able to
 - a) Explain the concepts of inflation, and consumer price index.
 - b) Explain the concepts of GDP deflator. Real vs. nominal interest rates.
 - c) Explain the impact of inflation
 - When you successfully complete chapter 28, you will be able to
 - a) Explain the concepts of unemployment, and business cycles.
 - b) Define the categories of unemployment, its natural rate.
 - c) Describe the effects of the minimum wage.

2. Learning Activities

- **Read** the assigned chapter(s) in the textbook to **prepare for lecture/discussion** on:
 - Chapters 23-24, & 28
- **Test** your knowledge by solving the exercises at the end of chapters 23-24, & 28.
- **Review** these PowerPoint slide shows:
 - Chapters 23-24, & 28
- **Watch** videos that illustrate key concepts of Lesson 2.
- **Go to the Aplia Assignment section** to complete the homework assignment and take the lesson quizzes to test your knowledge of chapters 23-24, & 28.

3. Unit Outline: Follows sequence of unit objectives.

C. Lesson 3: The Real Economy, Money and Prices in the Long-Run

This lesson covers chapters 25-27, 29-30: it extends the previous lessons' content as it explores the Real Economy, Money and Prices in the Long-Run. It also explores the financial markets and the business cycles.

1. Unit Objectives: The objectives below reflect the important concepts of this lesson and should be used to guide your studies and your preparation for examinations.
 - When you successfully complete chapter 25, you will be able to
 - a) Describe the determinants of economic growth and productivity.
 - b) Describe economic growth policies.
 - When you successfully complete chapter 26, you will be able to

- a) Define bonds, stocks, and retained earnings.
 - b) Read a stock table.
 - c) Describe the factors affecting the demand for and supply of loanable funds and the role the housing market played in the financial crisis of 2008.
- When you successfully complete chapter 27, you will be able to
 - a) Explain the basic concepts of finance.
 - b) Define the time value of money, compounding, and the rule of 70.
- When you successfully complete chapter 29, you will be able to
 - a) Describe the functions of money and the measures of the money supply
 - b) Explain how money creation with fractional reserve banking, works.
 - c) Calculate the money multiplier.
- When you successfully complete chapter 30, you will be able to
 - a) Describe the demand for money.
 - b) Describe the Fed's tools of monetary control.
 - c) Explain the equation of exchange, and the challenges of monetary and fiscal policy.
 - d) Explain the costs of inflation.

D. Lesson 4: Short Run Economic Fluctuations

This lesson covers chapters 33-34 which describe Federal Reserve and the Government's tools to resolving the problems created by cyclical instability.

1. Unit Objectives: The objectives below reflect the important concepts of this lesson and should be used to guide your studies and your preparation for examinations.
 - When you successfully complete chapter 33, you will be able to
 - a) Illustrate the aggregate demand curve, the short-run aggregate-supply curve, the long-run aggregate supply curve, and the equilibrium of aggregate supply and aggregate demand.
 - b) Illustrate the aggregate expenditure model.
 - c) Identify whether the economy is operating at its equilibrium in the aggregate model.
 - d) Explain short-run economic fluctuations.

- e) Explain the difference between the classical and the Keynesian macroeconomic models.
- When you successfully complete chapter 34, you will be able to
 - a) Describe the impact of changes in government purchases and taxes on real GDP, including the multiplier effect and automatic stabilizers.
 - b) Compare the tools of fiscal policy.
 - c) Predict how fiscal stimulus or restraint affects macro outcomes.
 - d) Explain the crowding-out effect, and lags in implementation.
 - e) Describe the theory of liquidity.
 - f) Compare the interest rates in the short and the long-run.
 - g) Predict how fiscal stimulus or restraint affects macro outcomes.

2. Learning Activities

- **Read** the assigned chapter(s) in the textbook to **prepare for lecture/discussion** on:
 - Chapters 33-34
- **Test** your knowledge by solving the exercises at the end of chapters 33-34.
- **Review** these PowerPoint slide shows:
 - Chapters 33-34
- **Watch** the video that illustrates key concepts of Lesson 4.
- **Go to** the Aplia Assignment section to complete the homework assignment chapters 33-34.

3. Unit Outline: Follows sequence of unit objectives.

E. Lesson 5: Macroeconomics of Open Economies and Debates over Macroeconomic Policy

This lesson introduces us to international finance and persisting Debates over macroeconomic Policy as it covers chapter 31 & 36

1. Unit Objectives: The objectives below reflect the important concepts of this lesson and examinations.

- When you successfully complete chapter 31, you will be able to

- a) Define the balance of payments.
 - b) Define fixed and flexible exchange rates.
 - c) Exchange rate under the fixed and flexible exchange rate systems.
 - d) Reflect on the History of Exchange Rate systems.
 - e) Explain the Purchase Power Parity theory.
- When you successfully complete chapter 36, you will be able to
 - a) Debate whether Monetary and Fiscal Policymakers should try to stabilize the Economy.
 - b) Debate whether Fiscal Policymakers should try to stabilize the Economy through Tax Cuts rather than Government Spending.
 - c) Should Central Bank aim for Zero Inflation?
 - d) Should the Government Balance the Budget?
 - e) Does the Economy need a Tax Reform?

2. Learning Activities

- Read the assigned chapter(s) in the textbook to prepare for lecture/discussion on:
 - o Chapter 31
 - o Chapter 36
- Test your knowledge by solving the exercises at the end of chapters 31 & 36.
- Review these PowerPoint slide shows:
 - o Chapter 31
 - o Chapter 36
- Watch the video that illustrates key concepts of Lesson 5.
- Go to the Aplia Assignment section to complete the homework assignment and take the lesson quizzes to test your knowledge of chapters 31 & 36.

3. Unit Outline: Follows sequence of unit objectives.