COURSE SYLLABUS  
Economics 201  
Principles of Macroeconomics  
University of Alaska, Anchorage  
Fall 2003

GENERAL INFORMATION

INSTRUCTOR: Lance Howe, Ph.D.  COURSE HOURS: T,TH 10-11:15  
EMAIL:  elhowe@uaa.alaska.edu  SECTION #: 602  
PHONE:  786-5409 (main); 786-4136 (alt.)  ROOM #: AHS 106  
OFFICE: DIP 507J (main); BEB 319F (alt.)  OFFICE HOURS: T,TH 10:00-11:15am  
COURSE WEB PAGES:  
main: econ.aplia.com  
supplemental /backup:  http://www.iser.uaa.alaska.edu/iser/people/elhowe/ECON_F03

COURSE OBJECTIVES

Economics is a social science particularly interested in understanding behavior. Similar to other sciences, economists typically explore economic questions within the confines of an economic model. From this “positive” framework (what is the case) “normative” conclusions (what ought to be the case) can be drawn. As such, economics is an important tool used in a wide range of disciplines including law, public policy, health, banking, business, forestry, wildlife management, and agriculture.

In this course we will study some of the core concepts of modern economics. At the same time, we will point out some of its limits. Because this is a general introductory class we will begin with a few fundamental microeconomic principles and before moving into macroeconomic concepts.

Throughout our studies we will seek to apply what we are learning to contemporary issues. At the same time, however, gaining a solid base in micro and macroeconomics requires developing certain analytic tools, and often such skills are difficult to relate directly to real world economic problems. Acquiring the tools we introduce in this course will provide a basis upon which one may build with more advanced economics, business, or other social science courses.

Students who successfully complete the course should have a better understanding of economics and the modern economy in general. Students will also be equipped with new tools that can be applied in one’s field of choice. Everyone should leave with a better ability to analyze and interpret contemporary economic policy issues.

REQUIREMENTS AND GRADING

REQUIRED RESOURCES:

  by Robin Bade and Michael Parkin  
✓ Aplia subscription (see page 6 for details on registering)  
econ.aplia.com
OPTIONAL:
It is recommended that you periodically read the business sections of major newspapers (all available on-line) including the Anchorage Daily News, the New York Times, and the Washington Post. Better yet, you can subscribe to the Wall Street Journal. The Journal offers a special student subscription for one semester that includes hard copies plus unlimited online access for around $35. You can register by filling out an in-class form, calling 800-975-8602, or register online
for a semester at:  http://subscribe.wsj.com/semester
or for a year at:  http://subscribe.wsj.com/36weeks

GRADING:
The course grade will be determined as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Midterm 1</td>
<td>20%</td>
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<tr>
<td>Midterm 2</td>
<td>20%</td>
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<tr>
<td>Problem Sets</td>
<td>25%</td>
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<tr>
<td>Final Exam</td>
<td>30%</td>
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<td>Attendance</td>
<td>5%</td>
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Midterm 1 is on Tuesday, October 7, and Midterm 2 is on Tuesday, November 18. Problem sets are due on Tuesday, December 9, at 10:00am.

There will be no makeup exams. Exams will be curved and it would not be possible to determine a fair scale for all students when only a few students take an exam. Students unable to make these exam times should register for another section. Other contributors to the course grade will be weighted more heavily for students who miss an exam due to a documented emergency or University sponsored event. All students must take the final exam during the scheduled time.

As with other courses here at UAA, students must adhere to complete academic integrity. In this course, we will strictly adhere to the guidelines set by the University.

The problem sets you will be asked to solve are one of your greatest aids in understanding the key course material. The lectures and readings are important but the problem sets allow you to interact with the material in more of a concrete way. Consequently, it is important that you work on homework individually, and unless otherwise stated (in some cases we may have in-class or group assignments), it will be assumed that homework solutions reflect individual effort. At the same time, feel free to interact with other class members in checking solutions and working through problems, however, the final product should be your own. In the end, it will be your individual understanding that is reflected on the exams.

Problem sets will typically be posted on the Aplia web page, except for in-class assignments. Many of the homework problems will be interactive Aplia types but some will be of the traditional type. Solutions to the assignments will be posted on the due dates. Consequently, NO late homework can be accepted. However, in case of computer bugs, sickness, or other unforeseen problems, the two lowest problem set scores will be dropped from your final grade.
While I hesitate to require attendance, it has been my experience that students do better in the course when they are present for lectures. Students who miss two or fewer classes will receive the maximum number of points for attendance.

Please feel free to ask questions during the course lectures. Also, try to come prepared for class by reading or skimming the material we will discuss in class. It is also a good idea to have a detailed second reading after the class, paying particular attention to the concepts emphasized in the lecture. If you have particular questions you are welcome to come to my office hours listed above. In addition, you can reach me be email virtually anytime. The course web page will also contain links to sites that can assist you in better understanding the material we cover in this course.

A projected course outline is given below. While considerable effort will be made to stick to this outline some modifications may be necessary and I will notify the class in such situations.

**COURSE SCHEDULE**

<table>
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<tr>
<th>Date</th>
<th>Class #</th>
<th>Topics</th>
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| 8/26 (Tuesday) | Class #1 | Introduction  
Scarcity and choice  
*Bade and Parkin chapter 1 and appendix* |
| 8/28 (Thursday) | Class #2 | Prepare for Vernon Smith visit  
Discussion on markets and scarcity  
A. Smith (1776), pp. 1-2, “Of the Division of Labor”  
A. Smith (1776) “Of the Principle that gives occasion to the division of labor” |
| 9/2 (Tuesday) | NO CLASS | HAPPY LABOR DAY! |
| 9/4 (Thursday) | Class #3 | Vernon Smith visit  
The 2002 Nobel Prize winner in Economics |
| 9/9 (Tuesday) | Class #4 | Scarcity, choice and opportunity costs  
*Bade and Parkin chapter 3  
add drop deadline* |
| 9/11 (Thursday) | Class # 5 | Scarcity (continued)  
Introduction to supply and demand  
*Bade and Parkin chapter 4  
Aplia refund deadline* |
| 9/16 (Tuesday) | Class # 6 | Supply and demand (continued) |
9/18 (Thursday) Class # 7: GDP and the Standard of Living
Bade and Parkin chapter 20

9/23 (Tuesday) Class # 8: Jobs and Unemployment
Bade and Parkin chapter 21

9/25 (Thursday) Class # 9: The CPI and the Cost of Living
Bade and Parkin chapters 22

9/30 (Tuesday) Class # 10: The CPI and the Cost of Living (cont.)
AS-AD and Potential GDP
Bade and Parkin chapter 23

10/2 (Thursday) Class # 11: AS-AD and Potential GDP (cont.)
REVIEW FOR EXAM

10/7 (Tuesday) Class # 12: EXAM 1
(includes material up to CPI; through ch. 22)

10/9 (Thursday) Class # 13: AS-AD and Potential GDP (review)
Investment and Saving
Bade and Parkin chapter 24

10/14 (Tuesday) Class # 14: Economic Growth
Bade and Parkin chapter 25

10/16 (Thursday) Class # 15: Money and the Monetary System
Bade and Parkin chapter 26

10/21 (Tuesday) Class # 16: Money and the Monetary System (cont.)
Money, Interest, and Inflation
Bade and Parkin chapter 28

10/23 (Thursday) Class # 17: Money, Interest, and Inflation (cont.)
AS-AD and the Business Cycle
Bade and Parkin chapter 29

10/28 (Tuesday) Class # 18: AS-AD and the Business Cycle (cont.)
Aggregate Expenditure
Bade and Parkin chapter 30
10/30 (Thursday) Class # 19: Aggregate Expenditure (cont.)
Fiscal and Monetary effects
_Bade and Parkin chapter 31_

11/4 (Tuesday) Class # 20: Fiscal and Monetary Policy Effects (cont.)

11/6 (Thursday) Class # 21: The Short-Run Policy Tradeoff
_Bade and Parkin chapter 32_

11/11 (Tuesday) Class # 22: Fiscal and Monetary Policy Debates
_Bade and Parkin chapter 33_

11/13 (Thursday) Class # 23: Review for second midterm

11/18 (Tuesday) Class # 24: MIDTERM 2 (material from class 11 – 22)
credit to audit deadline

11/20 (Thursday) Class # 25: International trade and comparative advantage
_Bade and Parkin chapter 34_

11/25 (Tuesday) Class # 26: International Trade (continued)
International Finance
_Bade and Parkin chapter 35_

11/27 (Thursday)
NO CLASS – HAPPY THANKSGIVING!

12/2 (Tuesday) Class # 27: International Finance (continued)

12/4 (Tuesday) Class # 28: Review for Final Exam

12/9 (Tuesday – 10am): FINAL EXAM (cumulative)
Your course key is: 9SUW-LRMA-HCZG
Course Fee: $10.00.

First Time Aplia Users:

2. Complete the Configuration Test. You must have JavaScript and Flash 5 to use the site. If you don't, the configuration test will tell you and instructions will follow.
3. Return to the Sign In page and click "Register here."
4. You will be prompted to enter your e-mail address and select a password.
5. You will then be asked to enter your course key (above).
6. You only need to register once. After the registration process is complete, you will not need to enter the course key again.
7. Before entering your course, you will be prompted for payment. There is a 21 day grace period for this course. If your payment has not been received by 09.15.03, you will not be able to access the site until Aplia receives your payment. Please note that you will need to register for your course at least one hour prior to participating in any experiments.

Returning Aplia Users:

2. Sign in using your usual e-mail address and password.
3. On your home page click the button "Enroll in a New Course."
4. You will be asked to enter your course key (above).
5. Before entering your course, you will be prompted for payment. There is a 21 day grace period for this course. If your payment has not been received by 09.15.03, you will not be able to access the site until Aplia receives your payment. Please note that you will need to register for your course at least one hour prior to participating in any experiments.
6. If you want to switch between courses, use the [Switch Course] link at the top of the screen, or use the "My Account" tab, then click on "My Courses."

For technical problems or problems signing in, please contact Aplia by sending e-mail to support@aplia.com.