

ECONOMICS 211.01: INTRODUCTION TO MACROECONOMICS

Prof. Dr. Panayotis Zamaros

FALL 2016

Office Hours: Wednesdays 09:00 – 12:00 and by appointment prior the start of class.

Pepperdine Mission Statement

Pepperdine is a Christian university committed to the highest standards of academic excellence and Christian values, where students are strengthened for lives of purpose, service, and leadership.

Description

Macroeconomics has traditionally been the study of the larger scale aggregates making up the economy, notably demand and supply, as well as the development of models and measurement tools so as to establish the ideal economic interaction and establish its deviation so as to take fiscal and monetary decisions to reach the set ideal. Considering the recent economic turmoil rising unemployment with no growth, eroded purchasing power, and environmental cause for concern, this course proposes to rethink the “economy” and the way it is approached. The conceptual premise of the course lies in the “relational approach” as established by Dr. Zamaros (2011, [Organizational Behavioral Studies: The Relational Approach](#)) transposed here for the first time from its microeconomic context to examine the relational role the state plays with all the stakeholders, both domestic and international. What is specifically rethought here includes:

- the concept of behavior as applied to the state and other stakeholders
- a conceptualization of the aggregate supply premised on pragmatic firm and industry economics
- a conceptualization of the actual production possibility frontier (actual long run aggregate supply) as opposed to the theoretical production possibility frontier (theoretical long run aggregate supply)
- the development of a “relational” aggregate supply and demand model that places emphasis on the nexus of relationships between consumers – firms and state inclusive - and producers
- the role of metrics in a relational AD/AS model and general usefulness
- the relevance of the concept of growth in a world of depleting resources
- the effectiveness of money-based policies (fiscal, monetary) in an interdependent world
- etc. (i.e. new discoveries!)

Learning Outcomes

After completing this course, students will be able to:

- understand and apply a “relational” aggregate supply and demand model, particularly with regard economic challenges and issues;
- critically appreciate fiscal and monetary policy;

- critically assess the effect of state policies to solve social challenges
- appreciate schools of macroeconomic thought;
- use, with due care, measurement tools and economic modeling;
- appreciate an economy other than one's own;
- appreciate the responsibility the state has relative to its stakeholders

Methodology

It is strongly suggested that students read relevant material as listed on the course outline. During class meetings discussions and activities will take place as per the course schedule. Students can find the slides of the course on www.zamaros.net. Attendance is important (see below) because the content covers real-life examples and research, important for completing the examination and course requirements.

Course Materials

- Reference text – most recent editions:
 - 1/ (m) Rao, Reuss, Snyder & Sturr, *Real World Micro*, Dollars & Sense, Economic Affairs Bureau;
 - 2/ (M) Miller, Sherman, Snyder, Sturr, *Real World Macro*, Dollars & Sense, Economic Affairs Bureau
- References from www.zamaros.net

Course Topics

- Understanding the economy: macro circuit, the state and its role; economic performance and its measurement
- Influencing the economy: aggregate demand supply; fiscal and monetary policies
- Boosting the economy: growth; relative contributions of capital and labor
- Managing the economy globally: trade balance; trade and trade regimes; monetary flows and monetary regimes
- Stabilizing the economy: the challenges of economic integration, unemployment, poverty and resource depletion

Study Plan

Week	Date	Session	Content	Readings M: Macro; m: Micro
1	14.09	1.1	Course logistics	
		1.2	Fundamental actors (individuals, organizations) & concepts (language, trust)	

		1.3	The state: organization	M: 1.3 m: 1.1, 8.2, 8.3
2	21.09	1.4	The state in the relational model	
		1.5	Macro-circuit: the state and its stakeholders	
		1.6	<i>Research: the macro-circuit of an economy</i>	
3	28.09	1.7	<i>Presentations of findings 1</i>	
		2.8	AD-AS relational model: constructing the AD	
		2.9	AD-AS relational model: constructing the AS	M: 1.2, 5.1
4	5.10	2.10	Using the model: understanding economic challenges	M: 4.1, 7.2
		2.11	Economic indices and metrics: the most common	M: 2.1, 2.4, 2.6, 7.8 m: 6.7
		2.12	<i>Research: economic indices of various economies</i>	
	12.10			
5	19.10	2.13	<i>Presentations of findings 2</i>	
		3.14	Fiscal policies: excise and income tax; the Swiss example	m: 7.7, 9.1, 9.2, 9.6, 9.7, 9.8
		3.15	Fiscal policies: an assessment in the relational model	M: 5.2, 5.5, 5.7 m: 9.1, 9.5, 9.8
6	26.10	4.16	Monetary policies: money demand and supply; the Swiss example	M: 4.1
		4.17	Monetary policies: the role of the central bank; the Swiss example	M: 6.1, 6.3, 9.3
		4.18	Monetary policies: an assessment in the relational model	M: 6.2, 6.4, 6.7, 6.9 m: 2.1
7	3.11	5.19	Growth: growth and development; comparative examples	M: 3.8, 9.4 m: 10.7
		5.20	Capital contribution: when investments can make a difference; the Swiss example	
		5.21	Labor contribution : when education makes a difference; the Swiss example	M: 9.7
8	9.11	6.22	Inter-related economies: the (im)balance	M: 8.7, 8.8, 8.9

			of payments	m: 7.5
		6.23	The flow of goods & services: commodities markets; trade; barriers; trade regimes	M: 8.1, 8.2 m: 10.1, 10.3,
		6.24	The flow of money: financial markets; exchange rates; exchange rate types; monetary regimes	M: 4.2, 4.3
	16.11			
9	23.11	7.25	Challenges: economic cooperation	M: 2.2, 2.3, 3.1, 3.6, 7.3, 9.1 m: 2.5, 6.4, 6.6, 7.2
		7.26	Challenges: unemployment; poverty; environment	
		7.27	<i>Research: challenges of the economy</i>	
10	30.11	7.28	<i>Presentation of findings 3</i>	
		7.29	Dealing with the challenges: policy dilemmas & choices & stabilization	M: 1.6, 7.7, 9.5 m: 6.7, 8.6
		7.30	Dealing with the challenges in the relational model	m: 4.7
11	9.12- am	31	<i>Final exam</i>	
		32	<i>Final exam</i>	
		33	<i>Final exam</i>	

Course Evaluation

Presentations	20%
Examination 1	20%
Examination 2	20%
Final examination	40%
	TOTAL 100%

Examination Dates and Coverage

Students are expected to form teams of 2-3, or work individually, so as to carry out a detailed research on the economics of a country except for the US and CH. There are 4 examination components:

- Presentations: 3 in-class presentations in groups (10-15 min) or individually (5-10 minutes)
- Examination 1: a fully referenced critical report of 1500 words on the fiscal and monetary make-up of the chosen economy; the cutoff date is Wednesday 2.11
- Examination 2: a fully referenced descriptive report of 1500 words on the trade and financial relationships of the economy; the cutoff date is Wednesday 23.11
- Final examination (week 11): based on the research carried out throughout the term on the chosen economy, students will be invited to answer to 1 relevant question. The final examination is an open source examination.

Exams focus as much as possible on the application of economic thinking, models, diagrams and critically so – the plain use of Wikipedia and other simplistic online sources will not be sufficient to do well on the exams. All written material bearing the students' names on the first page is to be emailed to dr.zamaros@gmail.com on cut-off date, midnight the latest.

Attainment of Student Learning Outcomes

The student learning outcomes in this course, provided on the first page of the syllabus, are in support of the following learning objectives of the economics major:

- Relate the core intuitions of economics to economic and social phenomena, in order to produce sound economic analyses.
- Use formal and mathematical theoretical models to represent economic complexity.
- Gain foundational insights into the economics of macro policies and how these affect the economy overall and all its actors.

The student learning objectives in this course, provided on the first page of the syllabus, are in support of the following General Education Learning Outcomes:

- Critical thinking--Students analyze issues, ideas, behaviors, and events to develop opinions, solutions, or conclusions.
- Quantitative reasoning--Students reason and solve quantitative problems and explain mathematical concepts and data.
- Scientific reasoning--Students use the scientific method to investigate the natural or physical world.
- Human institutions & behavior--Students describe the major concepts of economics, psychology, or sociology to explain institutional and human behavior.

Grading

Grading is based on a 100% scale constructed on the following criteria bearing 6 points each:

- Knowledge
1. Completing task effectively

2. Explaining economic models
 3. Explaining economic processes
 4. Linking models with data and information
- Inquiry
5. Adopting a critical stance
 6. Arguing effectively
 7. Researching issues
 8. Treating topic comprehensively
- Expression
9. Expressing ideas clearly
 10. Using language effectively
 11. Communicating purposefully
 12. Structuring arguments and ideas
- Application
13. Using course models and diagrams
 14. Using additionally important information
 15. Commanding essay layout
 16. Using appropriate referencing system

Academic Integrity

Students are responsible for knowing and abiding by the university's policies and procedures for academic integrity, which will be enforced in this class. They can be found at <http://seaver.pepperdine.edu/academicintegrity/policies/>.

Grading policy

Grades will be assigned based on the following percentages:

- 94-100% = A
- 90-93.9% = A-
- 88-89.9% = B+
- 83-87.9% = B
- 80-82.9% = B-
- 78-79.9% = C+
- 73-77.9% = C
- 70-72.9% = C-
- 68-69.9% = D+
- 63-67.9% = D
- 60-62.9% = D-
- Below 60% = F

Absence Policy

Despite the circumstances, absence totaling more the one hour in a 1-unit class, three hours in a 3-unit class, and four hours in a 4-unit class, automatically lower the final grade by one half of a letter grade (i.e. from an A- to a B+) Each successive absence will in turn lower the grade by an additional one half of a letter grade.

Late Policy

4 partial misses count as 1 absence, regardless of how little the time portion is

Illness policy

'Students can be given excused absences for emergencies and verified cases of illness. In most cases, students who are not feeling well will be required to visit the Flon Urgence (PMU). For emergencies or documented illness, a form must be immediately completed and given to the Program Assistant (Karine Grivet), along with a receipt from PMU on the day(s) students are sick. The Program Assistant will communicate directly with faculty if students are given an excused absence(s). Students are responsible for completing all class assignments during their absence and for securing class notes from a fellow student.

Relationship to the Christian Mission of the University

As social science, economics offers a great deal of value in improving both individual and collective decision-making. But perhaps its greatest contribution is in recognizing the inherent interconnectedness of people and choices and focusing on ways to enhance the social cooperation which is the basis for the economic well-being of the members of society, which Christians are called upon to care about deeply.

Disability Services Office (DSO) statement

The Disability Services Office (DSO) offers a variety of services and accommodations to students with disabilities based on appropriate documentation, nature of disability, and academic need. In order to initiate services, students should meet with the Director of the DSO at the beginning of the semester to discuss reasonable accommodation. If a student does not request accommodation or provide documentation, the faculty member will not provide accommodations.

Intellectual Property statement

Course materials prepared by the instructor, together with the content of all lectures and review sessions presented by the instructor, are the property of the instructor. Video and audio recording of lectures and review sessions without the consent of the instructor is prohibited. Unless explicit permission is obtained from the instructor, recordings of lectures and review sessions may not be modified and must not be transferred or transmitted to any other person.

Online Course Evaluation

Online evaluations are conducted for all courses. All students will complete the course evaluation during class time during the last week of class.

