

Fayetteville State University
School of Business and Economics
Department of Finance Entrepreneurship Economics and Marketing
ECON 211
SPRING 2011

FSU Policy on Electronic Mail: Fayetteville State University provides to each student, free of charge, an electronic mail account (username@uncfsu.edu) that is easily accessible via the Internet. The university has established FSU email as the primary mode of correspondence between university officials and enrolled students. Inquiries and requests from students pertaining to academic records, grades, bills, financial aid, and other matters of a confidential nature must be submitted via FSU email. Inquiries or requests from personal email accounts are not assured a response. The university maintains open-use computer laboratories throughout the campus that can be used to access electronic mail.

Rules and regulations governing the use of FSU email may be found at
<http://www.uncfsu.edu/PDFs/EmailPolicyFinal.pdf>

II. Course Description:

This course provides you with an introduction to Economics, with emphasis on Macroeconomic principles along with their application in current domestic and global issues.

III. Disabled Student Services: In accordance with Section 504 of the 1973 Rehabilitation Act and the Americans with Disabilities Act (ACA) of 1990, if you have a disability or think you have a disability to please contact the Center for Personal Development in the Spaulding Building, Room 155 (1st Floor); 910-672-1203.

IV. Textbook:

Campbell R. McConnell & Stanley L Brue, Economics, 18th Edition (McGraw Hill Publishing Company, 2005). ISBN 9780073375694.

NOTE: if you are buying your books from your own pocket you might want to check out online discount bookstores that provide very competitive prices. Check out the following online source: <http://www.allbookstores.com> : You can get the 15th edition at very cheap price.

Students save money when they buy a McGraw-Hill eBook! eBooks are 52% of the list price of a traditional text. McGraw-Hill titles in their entirety can be purchased online through their eBookstore. The website to purchase an online ebook is: <http://ebooks.primisonline.com>.

Students can read any of these electronic textbooks Online access via the Internet just like they would an ordinary textbook. The pages look just like their paper counterparts. Special tools are provided as well so that students can highlight, bookmark, take notes, print pages, and much more.

V. Student Learning Outcomes – Upon completion of this course, students will be able to (Course competencies):

1. Understand the concept of scarcity and that the study of Economics is based upon that concept;
2. Identify the factors of production and their use in economics;
3. Distinguish between “macro” and “micro” also between “positive” and “normative” economic analysis;
4. Understand the concept of Opportunity Cost;
5. Understand that a Production Possibilities Model illustrates the problem of scarcity;
6. Illustrate production efficiency and inefficiency in the context of the Production Possibilities graph;
7. Describe the laws of demand and supply and express them graphically;
8. Describe the factors that could cause an increase and decrease in demand (supply);
9. Understand the concept of Market equilibrium and graphically express it;
10. Define and Compute GDP, GNP, NNP, NI, PI AND DI;
11. Describe the components of GDP and their relative importance as a percentage of GDP;
12. List and describe some GDP shortcomings; Explain the difference between nominal GDP and real GDP; Compute real GDP using a GDP deflator;
13. Describe what is meant by a business cycle and express it graphically; Describe the four phases of the business cycle;
14. Describe the problems associated with the recessionary and recovery phases of the business cycle;

15. Define full employment and the full unemployment rate;
16. Define and explain Inflation; understand what is meant by a consumer price index and know how to compute it.
17. Describe the consequences of inflation on real income, wealth and real interest rates;
18. Understand how demand-pull and cost-push inflation can feed on each other creating a wage-price spiral;
19. Distinguish an aggregate demand curve from a market demand curve and explain why an aggregate demand curve is downward sloping; Distinguish an aggregate supply curve from a market supply curve and explain the shape of an aggregate supply curve prevailing in the short run;
20. Discuss the concept of macroeconomic equilibrium and identify the point of macroeconomic equilibrium on an aggregate demand-aggregate supply graph; Show how changes in aggregate demand can affect macroeconomic equilibrium;
21. Show how changes in aggregate supply can affect macroeconomic equilibrium; Explain the possible causes of recessions and inflation using aggregate demand and aggregate supply;
22. Understand the classical model of macroeconomic equilibrium and the concept of a self-correction mechanism for the economy that returns it to potential real GDP when there are temporary equilibria for which real GDP exceeds or falls short of potential real GDP;
23. Explain how downward rigidity in nominal wages and other input prices (including interest rates) can prevent the classical self-correction mechanism from operating to quickly return the economy to potential real GDP during recessions; Discuss the Keynesian model of macroeconomic equilibrium;
24. Understand the concept of an overheated economy and explain how a wage-price spiral can result when equilibrium real GDP exceeds potential real GDP; Explain how supply-side shocks affect the economy; Use AD-AS analysis to explain how changes in the foreign exchange rate of the dollar can affect the economy; Use AD-AS to analyze the process of economic growth using a long-run aggregate supply curve;
25. Understand that money helps facilitate specialization and trade promoting economic activity; Describe the three functions of money; Explain why money must be relatively scarce and must be easily portable and divisible;
26. Define M1, M2 and M3 and understand that M2 is the definition used by the Fed to measure the money supply; Understand that the Fed's primary function is to control the money supply;
27. Understand that the FOMC undertakes open market operations and that open market operations is the principle way in which the Fed changes the money supply; Understand that banking is changing rapidly;
28. Define required reserves and excess reserves and know how they are computed; Explain how a single bank can create money (increase the money supply); Explain what change would be required out of each of the three monetary policy tools of the Fed in order for the Fed to increase or decrease the money supply;
29. Explain why the demand for money curve slopes downward and the supply of money curve is vertical; Explain how the interest rate reaches equilibrium; Explain how a change in the money supply affects the economy using a Keynesian framework;
30. Discuss how the federal budget affects aggregate demand; Show how expansionary fiscal policies can be used to stimulate the economy; Show how contractionary fiscal policies can be used to restrain aggregate demand and eliminate inflationary GDP gaps;
31. Explain how built-in stabilizers in the federal budget moderate shifts in AD; discuss how the impact of fiscal policy on the economy can be measured; explain how supply-side fiscal policies can affect the economy over the long run and discuss the effectiveness of recent supply-side policies.

VI. Course Requirements and Evaluation Criteria:

- a. **Grading Scale** – The following class grading scale is consistent with the university catalog (also see Appendix 2 for meaning of each grade):

92-100% = A
83-91% = B
73-82% = C
64-72% = D
< 64 = F

- b. **Attendance Requirements** – You must adhere to the attendance policy as specified by the University attendance policy (refer to the **University Undergraduate catalog 2006-2008, Page 58**) which stipulates that: “Class attendance is required for all students enrolled in courses at the 100 and 200 levels, Class absences will

be excused only when **valid documentation is provided for participation in university sponsored activities, serious illness, and family emergencies**. Other absences may be excused at the discretion of the instructor, who may require documentation. Students must notify the instructor, in advance if possible, of the reasons for class absences. When prior notification is impossible, students are required to explain the reasons for their absences by the next class meeting. When students fail to explain class absences, those absences are unexcused. In accordance with the University rules and regulations and consistent with the University policy, a student will be assigned an **EA grade** (i.e. Excessive Absences grade) if his/her class absences **exceed 10% of the total semester contact hours (i.e. 4 hours or 3 classes)**. **Note that the EA grade replaces the WN grade which is discontinued effective August 16, 2007 (See appendix 2 for details of new grading system)**.

You must also adhere to the **punctuality policy** as specified by the University attendance policy (refer to the **University Undergraduate catalog 2006-2008, Page 58**) which stipulates that: "Students enrolled in courses at the 100 and 200 levels are required to arrive at each class meeting on time and remain in class until dismissed by the instructor. Students are responsible for notifying the instructor, in advance when possible, of reasons for late arrivals and early departures. Therefore, if the student comes late and/or departs before the class dismissed without any valid and substantiated reason he/she will be considered absent for that day. To give you incentives to attend regularly the class you will be eligible for **1 point anytime you attend class** however you have to abide by the attendance and punctuality policies stipulated above. **Failure to abide by the attendance and punctuality policies your accumulated points will be forfeited**. Furthermore, if the student sleeps in class and engages in disruptive behavior such as engaging in a conversation with classmates, does not pay attention to the ongoing lectures and/or class discussions, goes out of the classroom and comes back in while the lecture is ongoing, not only will he/she lose his/her attendance points but he/she will **penalized by 1 point each time**.

In addition students who have a perfect attendance (i.e. no unexcused absences and no tardies) and abide by the attendance and punctuality policies mentioned above will be rewarded with **additional bonus points provided that the student abides by the rules**. **Note that there might be other substantial bonus points that are contingent upon the student's good attendance track record and good behavior in class**.

More about the tardiness policy: you are allowed to be late up to the end of the roll call. Afterwards, you will be considered absent even if you show up later. **I urge you to refrain from coming to class 5mns after the hour because it will be considered as a disruption**.

c. **Graded Assignments (Evaluation Criteria):**

Exams	100 points
Quizzes and Assignments	150 points
Economic News articles	10 points
Final Exam	60 points
TOTAL	320 points (100%)

Please note: If these evaluation criteria must be revised because of extraordinary circumstances, the instructor will post in Blackboard a written amendment to the syllabus.

Economic News articles: Short articles pertaining to current economic issues will be assigned to students on a rotational basis. The students chosen to present will be **notified in advance**. Each student will present at least **2 articles** during the course of the semester and the accumulated points will be worth 10 points. To earn full credit of the article presentations the student must select a current economic issue, summarize it and present it in class using PowerPoint. The time allotted for each student for the **presentation cannot exceed 2 minutes**. The student must also send the instructor a copy of the PowerPoint presentation by email and also submit it in the **Digital Drop Box (DDB) in Blackboard (BB) at least 1 day prior to the presentation date**. **Failure to abide by the rule, the student will not be allowed to present the article or make it up**.

Here are few sites where you can get Economic News articles: You can find these articles in the money/business sections of well-known News websites; example: www.usatoday.com ; www.abc.com ; www.yahoo.com ; www.cnn.com ; www.msn.com.

EXAMS: There will be 4 exams with 2 possible attempts for each (if held online) and a **FINAL EXAM** scheduled for the term. There will be **ABSOLUTELY NO MAKE UP EXAMS** except for students who have documented evidence of unusual circumstances, like a medical emergency or family matters such as death, birth, marriage, etc. The exams will be in a **Multiple Choice** format and will be announced at least one week before their scheduled time.

Quizzes and Assignments: Many quizzes and assignments are scheduled for the term but only the best combined quizzes and assignments will be chosen and the others will be dropped. Consequently, there will be **ABSOLUTELY NO MAKE-UP** Quizzes and Assignments whatsoever. The Quizzes will be given online in a **Multiple Choice** format with 2 possible attempts for each quiz and will be announced at least one week before their scheduled time (**Be aware that BB will count only the last attempt**). Handouts for the assignments will be handed over to the students during class time or posted in Blackboard, therefore log in Blackboard regularly. **All assignments must be typed and submitted on time to be accepted and graded.**

WARNING 1: This is not an online class. If you fail to come to class and take the tests at home, your grades will be null and void.

WARNING 2: If you get locked out of the test due to carelessness and inattention you will be penalized **5 points in the case of quizzes and 10 points in the case of an exam.** In the event you get locked out due to circumstances beyond your control (substantiated by ITS) in both attempts, you will be allowed to retake the test at a later date. However if you get locked out of the first attempt and are able to successfully complete the second attempt, the latter will be graded and accepted without make-up for the first attempt.

Note: By and large students will get locked out of the test if they hit the Back Button located at the Upper-right-hand corner of the screen. **DO NOT HIT THE BACK BUTTON WHILE TAKING YOUR TESTS. IF FOR ANY REASON I NOTICE THERE ARE A LOT OF ABUSES CONCERNING THE MULTIPLE ATTEMPTS, I WILL TAKE AWAY THAT PRIVILEGE!**

Classroom Decorum or Behavior:

Student Behavior Expectations: -The instructor will respect all students and will make every effort to maintain a classroom climate that promotes learning for all students. Students must accept their responsibility for maintaining a positive classroom environment by abiding by the following rules:

1. Students are expected to arrive to class on time, remain in class until dismissed by the instructor, and refrain from preparing to leave class until it is dismissed.
2. Student/teacher relationships, as well as relationships among peers, must be respectful at all times.
3. Students are not permitted to wear headphones or other paraphernalia that may be distracting to the classroom environment.
4. Students must refrain from any activity that will disrupt the class; this includes turning off cell phones and pagers.
5. Students are not permitted to use profanity in the classroom.
6. Students will not pass notes or carry on private conversations while class is being conducted.
7. Solid foods of any kind are prohibited in class; however, drinks are allowed.

Consequences for Failing to Meet Behavioral Expectations: The first time a student violates one of these rules, the instructor will warn him or her privately, either after class or before the next class. (Faculty members reserve the right to warn students publicly if needed.) The second time a student violates the guidelines the instructor may deduct as many as twenty points from the student's accumulated points. If a student violates the guidelines three times, the instructor will report the student to the Dean of Students for disciplinary action according to the FSU Code of Student Conduct.

VII. Academic Support Resources:

The book's online learning center: www.mcconnell17.com

Smarthinking, University College Learning Center,
Chestnut Library

SBE Computer labs in the second floor

Stock Investing for Dummies 2nd Edition by Paul Mladjenovic

<http://www.optionsxpress.com/promos/cnbc-challenge.aspx?CMP=BAC-cnbc-challenge&src=r2-120600> to practice trading without money on the line.
<http://moneycentral.msn.com/home.asp> : Free Stock Screener

VIII. Course Outline:

TOPICS	Reading Assignment	COMPETENCIES
Limits, Alternatives and choices	CHAPTER 1	#1, 2, 3
The Market system & the circular flow	CHAPTER 2	#4, 5 &6

EXAM I		
Supply & Demand	CHAPTER 3	# 7, 8 & 9
The US Economy	CHAPTER 4	
EXAM II		
Measuring Domestic Output and National Inc.	CHAPTER 24	#10, 11, &12
Introduction to Economic Growth and Instability	CHAPTER 25	#13, 14 & 15
Business cycles	CHAPTER 26	#16, 17 & 18
EXAM III		
Money and Banking*	CHAPTER 31	#25, 26 & 27
The Banking System*	CHAPTER 32	#28
Monetary Policy*	CHAPTER 33	#29
EXAM IV		

Note: This is a tentative course outline subject to changes. *: These chapters might be substituted by video presentations.

IX. Teaching Strategies

Lectures
Class Discussions
Group Presentations
Individual Presentations

X. Bibliography:

McConnell and Brue, "Macroeconomics" McGraw-Hill higher Education
University Undergraduate Catalog 2006-2008
Paul Mladjenovic, "Stock Investing for Dummies" 2nd Edition WILEY.

XI. Conclusions:

NOTES:

The Syllabus can be downloaded from Blackboard under the section "Course Documents"

CLASS DISRUPTION:

I have zero tolerance for class disruption such as engaging in conversation with your classmates, not turning off your cell phone, coming late all the time, going in and out of the class several times, etc... Those who repeatedly go outside the class and stay there most of the class time will be considered absent and will consequently lose the accumulated attendance points.

Bonus Points:

- a) Short article presentations pertaining to current economic issues and homeworks for bonus points could be assigned during the course of the term;
- b) Additional bonus points might be granted to the student due to participation, excellent attendance record, good behavior and good attitude in the classroom.

Final Grade:

Your final grade will be determined based upon your overall performance on the exams and article presentations but also based on your attendance, participation and seriousness about the class.

**I RESERVE THE RIGHT TO MAKE ANY CHANGES ON THE SYLLABUS THAT I FEEL APPROPRIATE
DURING THE COURSE OF THE TERM.
GOOD LUCK EVERYONE!**

XII. Appendices:

APPENDIX 1

REVISION OF GRADES – STUDENT RESPONSIBILITIES

The following revisions become effective on August 16, 2007.

WN GRADE DISCONTINUED:

- WN - Withdrawal due to non-attendance - discontinued, effective August 16, 2007.

STUDENTS: Do not expect faculty to withdraw you for non-attendance. Drop or withdraw* from classes according to the deadlines published in the catalog. *See warning below about class withdrawals.

NEW TYPE OF GRADE: INTERIM GRADES – (New name for “midterm grade,” with additional purposes). Interim grades will be assigned from the first week of the semester until the deadline for class withdrawals. Interim grades are used for informational and warning purposes only; they are not part of your permanent transcript and have no effect on your GPA. Instructors may assign interim grade of F to warn students of poor academic performance or they may assign “X” or “EA” grades. (See below for explanations) After midterm, faculty will assign all students an interim grade of A – F to inform students of their academic status as of midterm.

- INTERIM GRADE X = NO SHOW – Assigned to students who are on a class roster, but never attend class. For warning purposes only; NOT a final grade.

STUDENTS: Check interim grades early in the semester. If you have an X grade, either begin attending the class or withdraw* from it. *See warning below about class withdrawals. If you do not take action in response to an X grade, you will receive a final grade of FN. (See “FN” below)

- INTERIM GRADE EA = EXCESSIVE ABSENCES - Assigned to students whose class absences exceed 10% of the total contact hours. For warning purposes only, NOT a final grade.

STUDENTS: Check your interim grades often. If you have an “EA” grade for a class, you are in jeopardy of failure if you do not take immediate actions. Either resume attending the class or withdraw from it. *See warning below about class withdrawals.

NEW FINAL GRADE:

- FN = FAILURE DUE TO NON-ATTENDANCE – Assigned to students who are on class roster, but never attend the class. An FN grades is equivalent to an F grade in the calculation of the GPA.

STUDENTS: You must attend (or withdraw* from) all the classes for which you are enrolled. *See warning below about class withdrawals.

WARNING ABOUT CLASS WITHDRAWALS:

- When you withdraw from a class, you are wasting your money and time. You receive no refund for withdrawing from individual classes and you slow your progress toward degree completion.
- If you withdraw from or fail more than one-third of your classes, you will no longer be eligible for financial aid.
- **STRIVE TO EARN CREDIT FOR ALL THE CLASSES IN WHICH YOU ENROLL; WITHDRAW FROM CLASSES ONLY WHEN IT IS ABSOLUTELY NECESSARY!**

APPENDIX 2

Final Grades – This policy becomes effective on August 16, 2007

Final grades are calculated on a four-point system and affect a student's grade point average as indicated below. Faculty members will delineate in each class syllabus the methods and evaluative criteria for determining final grades in the class.

Grade	Credit Hours	Quality Points	Meaning
A	Hours attempted and earned	4 per credit hour;	Exceptionally high
B	Hours attempted and earned	3 per credit hour	Good
C	Hours attempted and earned	2 per credit hour	Satisfactory
D	Hours attempted and earned	1 per credit hour	Marginally passing
F	Hours attempted – Not earned	0 per credit hour	Failing
FN	Hours attempted – Not earned	0 per credit hour	Failing due to non-attendance. (Student registered, but <u>never</u> attended.)
W	Hours attempted – Not earned	No impact on GPA	Class withdrawal prior to deadline (see Academic Calendar)
P	Hours attempted and earned	No impact on GPA	Satisfactory - Assigned only in classes specified as Pass/Fail
WU	Hours attempted – Not earned	No impact on GPA	Withdrawal from all classes for semester or term
AU	Hours attempted – Not earned	No impact on GPA	Auditing