

**Principles of Macroeconomics  
ECON 2105  
Standard Syllabus**

**Prerequisites:** Math 1111 – College Algebra

**Catalogue Description:**

ECON 2105 analyzes the overall performances of economic systems including output and employment levels, inflation, economic growth, international finance, and the effects of monetary and fiscal policies.

**Course Objective:**

The goal of ECON 2105 is to develop a framework which the student may use to analyze the overall behavior of a modern mixed capitalist economy and its international interactions. This framework introduces the student to the economic way of thinking about the macro-level forces at work in society which shape economic performance and guide economic policy. Performances and policy then feed back to influence the business and social environment.

**Method of Instruction:**

ECON 2105 is taught through a combination of lecture, discussion, homework and examinations. Class interaction allows the students to discover the strengths and weaknesses of alternative policy recommendations.

**Text and Other Materials Required:**

Economics, first edition, by Paul Krugman and Robin Wells.

Website: [http://bcs.worthpublishers.com/krugmanwells\\_econ/default.asp](http://bcs.worthpublishers.com/krugmanwells_econ/default.asp)

**Policy on Academic Honesty**

All students are responsible for knowing and adhering to [GSU's Policy on Academic Honesty](#) as published in [On Campus: The Undergraduate Co-Curricular Affairs Handbook](#).

**Course Learning Outcomes**

The student should be able to:

1. Understand and describe the concepts and measurement of gross domestic product, unemployment, and inflation.
2. Understand and describe the difference between business cycles and economic growth and the factors that contribute to each.
3. Understand and describe the concept of Macroeconomic Equilibrium.

4. Understand and describe how Aggregate Demand and Aggregate Supply determine equilibrium price and output in the short-run and long-run.
5. Understand and describe the multiplier concept, how it is computed, and its qualifications and limitations.
6. Understand and describe the concepts, tools, and implementation of fiscal policy, its limitations and relative advantages and disadvantages, and how it affects aggregate economic activity.
7. Understand and describe the concepts, tools, and implementation of monetary policy, its limitations and relative advantages and disadvantages, and how it affects aggregate economics activity.
8. Understand and describe the essential differences that separate and distinguish the Classical and Keynesian Schools in macroeconomics.
9. Understand and describe the arguments pro and con for a policy of laissez-faire versus government activism in the management of macroeconomic policies.
10. Understand and describe the concepts of Comparative Advantage, balance of payments and its components, and the determinants of exchange rates.

**The course outline below provides a general plan for the course; deviations may be necessary.**

#### Course Outline

|                | <b>Required Material:</b> |  |
|----------------|---------------------------|--|
| <b>Chapter</b> | 1                         | First Principles                             |
|                | 2                         | Economic Models: Trade-offs & Trade          |
|                | 2 Ap A                    | Graphs in Economics                          |
|                | 3                         | Supply & Demand                              |
|                | 4                         | The Market Strikes Back                      |
|                | 23                        | Macroeconomics: The Big Picture              |
|                | 24                        | Tracking the Macroeconomy                    |
|                | 25                        | Long-Run Economic Growth                     |
|                | 27                        | AD & AS                                      |
|                | 28                        | Income & Expenditure                         |
|                | 30                        | Money, Banking, & the Federal Reserve System |
|                | 31                        | Monetary Policy                              |
|                | 35                        | Open-Economy Macroeconomics                  |
|                | <b>Optional Material:</b> |  |
| <b>Chapter</b> | 28 Ap                     | Deriving the Multiplier Algebraically        |
|                | 29                        | Fiscal Policy                                |
|                | 32                        | Labor Markets, Unemployment, & Inflation     |
|                | 33                        | Inflation, Disinflation, & Deflation         |

The order in which chapters are covered may vary by instructor.

**Notes:**

1. *This syllabus is designed as a general guide to course content. Each instructor will provide a more detailed description of assignments, requirements, and evaluation methods.*
2. Students who withdraw after the midpoint of each term will not be eligible for a “W” except in cases of hardship. A student who withdraws after the midpoint of the term is assigned a grade of “WF,” except in those cases in which (1) hardship status is determined by the Office of the Dean of Students. Effective Fall 2006, undergraduate students are limited to a total of six withdrawals during their academic career - see <http://www.gsu.edu/es/20399.html> for more information on the new University policy.
3. Important University dates can be found at [http://www.gsu.edu/es/calendars\\_and\\_schedules.html](http://www.gsu.edu/es/calendars_and_schedules.html)