Office: 205B Stevens Hall                Phone: 581-1862
Office Hours: T: 11-12; TH: 11-12; F: 9-10            Email: Breece@maine.edu
and by appointment                                    FirstClass: James Breece


Readings (required): *The Wall Street Journal* found at: [WSJ.com/studentoffer](http://WSJ.com/studentoffer)

FirstClass: a course conference has been automatically added to your desktop. Announcements and course materials will be posted in the course conference throughout the semester.

Fairmodel: During the semester we will be using a computerized macroeconomic model to conduct simulations that are intended to reinforce the textbook and classroom discussions. Fairmodel is located on the Web at the following address: [fairmodel.econ.yale.edu/mmm2.htm](http://fairmodel.econ.yale.edu/mmm2.htm) The associated workbook can be accessed at: [fairmodel.econ.yale.edu/wrkbook/yaewrk.pdf](http://fairmodel.econ.yale.edu/wrkbook/yaewrk.pdf)

Course Requirements: Students must take all three exams and complete all required homework assignments. Each exam is worth 30% of the course grade and the total of the homework assignments is equal to 10%. There will be plus-minus grading.

Exam 1 ............................................. October 7, 2013
Exam 2 ............................................. November 11, 2013
Final Exam (cumulative) ......................... Finals week

Any missed exams are counted as zero. Students wishing to have the privilege of taking a make-up exam must notify me prior to the scheduled exam date. Attendance of the classes is the student’s responsibility and any cheating during the exams and homework assignments will result in automatic failure of the assignment. Students requesting special accommodations must contact me and the office of Disability Support Services (581-2319; TTY 581-2325) at the beginning of the semester.

Course Description: Analysis of the basic forces that cause fluctuations in economic activity and their effects on employment, investment, and business firms. Stabilization proposals examined and evaluated.
Objectives and Learning Outcomes: The purpose of this course is to integrate macroeconomic theory and real world phenomena. The issues surrounding the causes of inflation, unemployment, and national income are the subjects of serious debate. Both qualitative and quantitative skills will be used in class along with a strong emphasis on economic causality.

Upon completion of this course, students will have an understanding of technical terms and theories used by modern macroeconomists; the operation and interactions of goods markets, financial markets, and labor markets in determining national income, prices, and employment; policy objectives, implementation, and constraints; and the ability to conduct computerized simulations.

Students’ understanding of these concepts and issues will have been displayed through their learned analytical skills (modeling and graphics) and narrative explanations as demonstrated by completion of the course requirements.

Course Outline and Reading List

Part 1: Introduction and Measurement
- Chapter 1: What is Macroeconomics?
- Chapter 2: The Measurement of Income, Prices, and Unemployment

Part 2: The Short Run: Business Cycles and Policy Responses
- Chapter 3: Income and Interest Rates
- Chapter 4: Strong and Weak Policy Effects in the IS-LM Model
- Chapter 5: Financial Markets
- Chapter 6: The Government Budget

Part 3: The Price Level, Inflation, and Unemployment
- Chapter 8: Aggregate Demand and Aggregate Supply
- Chapter 9: Inflation: Its Causes and Cures
- Chapter 10: Stabilization Policy

Part 4: The Long Run: Economic Growth, Success, and Failure
- Chapter 11: The Theory of Economic Growth
- Chapter 12: Questions of Economic Growth

Part 5: Monetary Policy
- Chapter 13: Money, Banks, and the Federal Reserve
- Chapter 14: Monetary Policy

Periodic readings will be assigned from the Fairmodel workbook, located on-line at: fairmodel.econ.yale.edu/wrkbook/yaewrk.pdf