I. Catalog Description and Credit Hours of Course

Analysis of an economy's overall level of output, employment and prices in modern open economies. (3 credit hours)

II. Prerequisite(s)

MA134 College Algebra
EC215 Principles of Microeconomics or AG245 Agricultural Economics
EC225 Principles of Macroeconomics

III. Purposes or Objectives of the Course

A. Use various models (e.g., IS-LM, Aggregate Supply-Aggregate Demand, and others) to analyze an economy over different time horizons.
B. Understand the implications of openness of modern economies, including the implications of different exchange rate regimes.
C. Describe the insights the models shed on current macroeconomic events around the world. BSBA Goal: Application of critical thinking skills to business problems and ethical dilemmas. Use critical thinking to reach decisions by, identifying the problem/issue(s), presenting plausible alternatives, evaluating the alternatives and resolving the problem/dilemma with justification based on ethical principles, discipline-specific understanding, and professional judgment.

IV. Expectations of Students

A. Regular class attendance and participation in class discussions and question/answer sessions.
B. Individual review of material presented in EC225, if necessary.
C. Familiarity with assigned readings.
D. Satisfactory performance on examinations and other assignments.
E. A minimum of two hours of outside class work for every hour in class.

V. Course Outline

A. Basic Concepts
B. The Short-run
   a. The Goods Market, Fiscal Policy, and the IS Curve
   b. The Financial Markets, Monetary Policy, and the LM Curve
   c. Goods and Financial Markets – the IS-LM Model
C. The Medium-run
   a. The Labor Market
   b. Labor, Goods, and Financial Markets – the AS-AD Model
D. The Long-run
   a. Facts of Growth
   b. Models of Economic Growth

E. The Open Economy
   a. Openness in Goods and Financial Markets
   b. The Open Economy IS-LM Model – The Mundell-Fleming Model
   c. Exchange Rate Regimes

F. Expectations
   a. The Basic Tools of Expectations
   b. Financial Markets and Expectations
   c. The Goods Market and Expectations

G. Pathologies
   a. Depressions and Slumps
   b. High Inflation

H. A Story of Macroeconomics

VI. Textbook(s) and/or Other Required Materials or Equipment


VII. Basis of Student Evaluation

   Student performance will be based on tests, assignments, and other measures of performance that may be employed.