

# Eco 106 Principles of Macroeconomics: Syllabus

**Instructor Contact: [jberdell@depaul.edu](mailto:jberdell@depaul.edu)**

John Berdell, Ph.D.  
Associate Professor  
Economics Department  
DePaul Center, Room 6231  
Please leave all messages by email.  
[jberdell@depaul.edu](mailto:jberdell@depaul.edu)

## I Aims and Orientation

This course provides a rigorous introduction to the analysis of economic phenomena at the national level. The principal issue considered will be the sources of economic instability and determinants of economic performance as manifest, for instance, in the rate of economic growth, unemployment, inflation, and trade and budget deficits. The government's role in alleviating or causing economic instability and/or poor economic performance will receive considerable attention. This course is offered as an element of the Liberal Studies program and our approach will regard economics as a social science. Thus we will not only develop some algebraic and geometric methods for analyzing the sources and "cures" for economic fluctuations, but also relate those methods to conceptually neighboring social sciences.

We will begin with the determination of supply and demand in individual markets. This allows us to briefly review the basic algebra used in the course. We then introduce the three most important macroeconomic variables: the growth rate, the unemployment rate and the rate of inflation. Each of these seemingly obvious numbers actually contains powerful political controversies and difficult measurement issues.

We then turn to how spending behavior determines aggregate output and its fluctuation over time. This (Keynesian) macroeconomic model provides the elementary basis for predicting the impact of fiscal policy on output and unemployment.

In the second half of the course we turn to the politics and dynamics of the financial system. We will discuss the impact of monetary policy and recent controversies over the right role for government macroeconomic policy. The last portion of the course will be devoted to extending this analysis to account for some of the international linkages between nations.

## II Sources

- A.) The text is *Principles of Macroeconomics* by Case, Fair and Oster. Professor Ray Fair has a well-known macroeconomic model of the US economy (<http://fairmodel.econ.yale.edu/>). I will discuss elements of this model in class. You will wish to have a look at it yourself, and to use some parts of it in your course paper (explained below).

- B.) We will be using myeconlab for homework assignments and to prepare for the exams. It is a required component of the course.
- C.) The course requires you to become familiar with current statistical releases and commentary on the performance of the US economy. I will post two word documents in the introductory section of our D2L site that direct you to good sources for following the economy.

### III Requirements and Evaluation

This course has a Math prerequisite: Math 150 or better (as in BMS 141). In presenting the analytical material a real familiarity with elementary algebra and geometry will be assumed. You should speak to me within the first two weeks if you find these methods hard to cope with. I am available both in office hours and at other times if my office hours are not compatible with your schedule. Just speak to me before or after class if you would like to meet outside of office hours. *I encourage you to make appointments (or just come in!) so that we can clear up questions as soon as they arise.* Each term the economics department has tutors at both the Loop and Lincoln Park campuses. I will announce their schedule as soon as possible. They should be regarded as a supplement not a replacement for coming in to my office hours. Again, do not hesitate to ask for an appointment if my office hours do not fit your schedule.

Student work in this course will fulfill the Social Behavioral and Cultural Inquiry Learning Outcomes and Writing Expectations of DePaul's Liberal Studies Program. Students will analyze and reflect upon arguments about the contemporary world using economic theory, methods, and evidence. Students will also analyze economic interdependencies between society and its individuals.

#### Following the NEWS

Each of you should stay current with the Dismal Scientist web site--free access will be available for the duration of the course--and at least one national business paper. You should find and collect articles about the whole U.S. (or a foreign) economy. They should **not** be articles about a particular firm or a particular industry. So what sorts of articles are about the whole US economy? Good choices would include articles about:

- Changes in the national rate of *unemployment*.
- Changes in *employment* (national level)
- Changes in *interest rates and Federal Reserve policy*.
- Changes in the national rate of *inflation*
- Changes in national *Gross Domestic Product*
- Changes in *consumer or producer confidence*
- Changes in the size of *business inventories* (at the national level)
- Changes in *consumer spending* (at the national level)

## **Course Paper: Recent US Macroeconomic Performance and Prospects**

At the last class session of the course you must submit a short paper that sets out your view of recent US macroeconomic performance and the prospects for the US economy looking forward. There is a separate document setting out the nature of that assignment. The paper should be five pages in length, not counting any graphs or tables you attach.

### **IV Exams and Final Scores**

We will have two exams. The final exam is cumulative. The exams will contain multiple choice, short answer and essay components. The essay question will be posted prior to the exam. Think about an outline in advance, your answer should be at least four blue book pages. The multiple choice and short answer parts of the exams draw extensively from the online homework. Final scores are computed using two weights, and the higher is selected for each student.

Weights	A	B
Attendance	05%	05%
Problem Sets and News Summaries	25%	25%
Macroeconomic Research Review	20%	20%
Midterm Exam	20%	05%
Final Exam	30%	45%
Total	100%	100%

\*\*\*Note: Makeup Midterms will not be available without prior arrangement and permission.

**Note that Eco 106 is one of the Liberal Studies Courses. It is in the domain of Social, Cultural, and Behavioral Inquiry. It attains and exceeds the following expectations:**

#### **Learning Outcomes:**

Students will be able to:

- Analyze and reflect upon arguments about the contemporary world using relevant theory, methods, and/or empirical evidence.
- Analyze interdependent relationships between contemporary society and individuals.

#### **Writing Expectations:**

Students in Social, Cultural, and Behavioral Inquiry courses will demonstrate that they have mastered one or more of the learning outcomes through writing. It is expected that the equivalent of ten pages (which may be distributed across a series of assignments including papers, exams, journals, problem-sets and in-class writing assignments) will be required. At least five of those pages must be written outside class.



Last Name \_\_\_\_\_  
First Name \_\_\_\_\_

What's your major? Perhaps you have more than one?

\_\_\_\_\_

From what you have been hearing or reading, what seem to be the main opportunities or challenges facing the US economy right now? Please list three of them

1) \_\_\_\_\_

2) \_\_\_\_\_

3) \_\_\_\_\_