

**Principles of Macroeconomics**  
**Fall 2002**  
**BEH 113**

**ECO 203 Sec. 004**  
**MW 5:30-6:45 PM**  
**Professor Miller**

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**WebCT:** This is a WebCT course. Please register for this section of ECO 203 (i.e., eco203s004MillerF02). All documents pertaining to this course are, or will be, posted at this site.

**Required Text:** N. Gregory Mankiw, *Principles of Macroeconomics*, (2<sup>nd</sup> ed.) and the *Wall Street Journal*, a subscription to which comes packaged with the textbook.

**Recommended Text:** David R. Hakes, *Principles of Macroeconomics Study Guide*. This supplement provides the student with chapter overviews and additional problems and questions. While not required, it does provide additional material that may be helpful in preparing for quizzes and exams.

**Course Objectives:** Upon completion of this course, the successful student will understand the use of economic diagrams, simple mathematics as related to economic concepts, and logic in the development and application of macroeconomic theory to public policy issues and real-world events, with a special emphasis on problem solving. Topics include supply and demand, the composition of national product and income, the causes of unemployment and inflation, the nature of money and banking, fiscal and monetary policy, and international trade and finance.

**Grades:** **Your grade for the course depends solely on your grades on the quizzes and the examinations, as well as an optional term project.** There will be seven (7) multiple-choice quizzes, two (2) midterm exams, and a final exam. Additionally, a term project provides the student with the opportunity for bonus points. That is, the project is not required, but will lead to extra bonus points. The five (5) highest quiz scores will count toward the semester grade. Each quiz will count as 6% of the course grade (30% total). Sample quizzes are posted on WebCT. There are no make-up quizzes. Quizzes are scheduled for the Wednesday of the week. Details for the term project appear on the last page of this course outline. The term project can count for up to 10% of the course grade.

Two closed-book exams are scheduled during regular class time on Wednesday, September 25, 2002 and Wednesday, October 30, 2002, covering lectures and readings up to that point of the course. Exams will be composed of 40 multiple-choice questions, and 1 short-answer question. Each midterm exam will count as 20% of the course grade. Sample exams are posted on WebCT.

The closed-book final exam is scheduled for Monday, December 9, 2002 from 6:00 to 8:00 PM. The final exam will be comprehensive, with about 50% of the weight given to material covered after the second mid-term exam, and the remainder given to material covered before the first and second midterm exams. The final exam will be comprised of 40 multiple-choice questions and 6 short-answer questions. The final exam will count as 30% of the course grade. Sample short-answer questions are posted on WebCT.

Grades will be assigned based on a curve. That curve, however, will never be more stringent than 90% or better = A, 80% or better = B, 70 % or better = C, 60% or better = D, below 60% = F. Plus/minus (+/-) grades will be used.

**Attendance/Makeup Policy:** Regular class attendance is strongly recommended. You are responsible for all reading material and all material presented in class. No makeup quizzes will be given. The final exam will serve as the makeup exam for any missed midterm exams. A makeup exam for a missed final exam will be given during the first two weeks of the spring semester. You are responsible for arranging with the Department to take the makeup.

Week	Material Covered	Quiz
1	Course Organization, Ch 1	
2	Ch. 2, 3	
3	Ch. 4	Ch. 2, 3
4	Ch. 10, 11	Ch. 4
5	<b>Test 1</b> , Ch. 12	
6	Ch. 12, 13	
7	Ch. 13, 14	Ch. 12, 13
8	Ch. 15	Ch. 14
9	Ch. 16	
10	<b>Test 2</b> , Ch. 17	
11	Ch. 17, 19	
12	Ch. 19, 20	Ch. 17
13	Ch. 20	Ch. 19
14	Ch. 21	Ch. 20
15	Ch. 21, catch-up, review	
16	<b>FINAL EXAMINATION</b>	

All chapter references are to Mankiw. You are expected to read the assignment before class.

**Withdrawal:** November 1, 2002 is the last date to withdraw from class.

**Copyright and Fair Use:** The University requires all members of the University Community to familiarize themselves and to follow copyright and fair use requirements. You are individually and solely responsible for violations of copyright and fair use laws. The University will neither protect nor defend you nor assume any responsibility for employee or student violations of fair use laws. Violations of copyright laws could subject you to federal and state civil penalties and criminal liability as well as disciplinary action under University policies. To help familiarize yourself with copyright and fair use policies, the University encourages you to visit its copyright web page at: <http://www.unlv.edu/committees/copyright>.

**Academic Dishonesty:** Academic dishonesty (e.g., cheating and plagiarism) will not be tolerated. At the instructor's discretion, a student suspected of academic dishonesty may receive an F for the course and be expelled from the class. Additional penalties, up to expulsion from the University, are possible. See page 56 of the Undergraduate Catalog.

**Disabilities:** If you have a documented disability that may require assistance, you will need to contact the Disability Resource Center (DRC) for coordination in your academic accommodations. Disabilities Services is located within Learning Enhancement Services (LES), in the Reynolds Student Services Complex, Suite 137. The phone number is 895-0866 or TDD 895-0652. The e-mail address is [dresssc@cmail.nevada.edu](mailto:dresssc@cmail.nevada.edu).

**Term Project:**

**THE PROJECT IS DUE ON OR BEFORE WEDNESDAY, DECEMBER 4.  
NO LATE PROJECTS ARE ACCEPTED. A PRELIMINARY  
EVALUATION OF A PART OF THE PROJECT IS DUE ON  
WEDNESDAY, OCTOBER 9.**

You will analyze the course of the U.S. monetary policy from September 9 through November 29 as reported in the *Wall Street Journal (WSJ)* (or the *New York Times*). The Mankiw text for my section comes with a *WSJ* subscription.

1. Provide time-series graphs, on a weekly basis, of the 90-day and 1-year Treasury-bill rates, the 2-, 3-, 5-, and 10-year Treasury-note rates, and the 25+-year Treasury bond rate. The weekly averages are reported in the Tuesday *WSJ* under "Key Interest Rates." Provide time-series graphs, on a weekly basis, of the U.S. dollar spot exchange rates versus the Japanese yen and the European Monetary Union euro. These data appear daily under Exchange Rates. Exchange rates should be stated in foreign currency (i.e., yen or euros) per U.S. dollar. Thus, you need to collect the daily data and then use your spreadsheet to convert into average weekly data. Finally, provide a time-series graph, on a weekly basis, of the Standard & Poors 500 stock market index. These data also appear daily in the *WSJ* and you will need to convert the daily data into weekly averages, using your spreadsheet, before plotting the data. Chapter 1 provides illustrations of time-series graphs.
2. Clip articles from the *WSJ* that help explain the developments in U.S. monetary policy. **Please put the date of the article on the clipping.** Underline the key sentence(s) in the article that is (are) most important or relevant. Attach each article to an 8 1/2 x 11 piece of paper. Write a sentence summary below the article (hand written is acceptable, if it is neat). Substantive articles should deal with major aspects of the U.S. monetary policy. **Articles that have been collected will be turned in for a preliminary evaluation on Wednesday, October 9. Failure to meet this deadline means that the project will not be accepted.**

Do not clip articles unless they involve some economic analysis -- e.g., recent monetary policy is inflationary because ... (Since the major purpose is to have you read about U.S. monetary policy on a daily basis, copies of articles, which can be done in an end-of-semester push, are not acceptable.)

3. Finally, write a 2 - 4 page typed double-spaced Op-Ed piece (less than 1,200 words, which is the typical maximum limit on Op-Ed pieces in your local newspaper) that either supports or critiques the conduct of monetary policy over the semester. Samples of published Op-Ed pieces are posted on WebCT.