SSE 104: Introduction to Macroeconomics

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Catalogue Description:
This course will examine what determines the aggregate level of economic activity. The levels of production, employment, and prices will be studied in relationship to aggregate expenditures. Institutional arrangements of monetary and fiscal policies to address unemployment and inflation will also be covered.

Instructional Objectives:
Introduce students to:
1. The level of economic activity: national level of income, spending, and production.
2. Components of aggregate expenditures: consumer, business, government, and foreign spending.
3. The relationship between aggregate expenditures and aggregate level of economic activity.
4. Monetary and fiscal policies.
5. The use of monetary and fiscal policies to address inflation and unemployment.

Performance Objectives:
At the end of this course, students will be able:
1. To define the level of economic activity.
2. To define the components of aggregate expenditures.
3. To explain the relationship between aggregate expenditures and the level of economic activity.
4. To differentiate between monetary and fiscal policies.
5. To explain how monetary and fiscal policies are expected to address unemployment and inflation.

Criteria and Evaluation:
Grades will be based on: (1) attendance; (2) participation; and (3) quizzes, homework, midterm, final exams.
1. Attendance: Students are expected to attend each class, as all absences must be accounted for. Please note that this requirement is considered so important that more than two (2) unexcused absences during the quarter will constitute a reduction of one’s grade by one full grade. Class discussions often illuminate materials in ways other than the textbook presentation and are often occasions where the major points of the course are related to one another. There will be no make-up exams unless a legitimate excuse is provided for the absence on the exam days. Please make sure to reach your instructor whenever there is a need before it is too late to intervene. Students must take advantage of the tutorial service when available for this class.
2. Participation: In order to enhance the class learning experience, students are required to perform the weekly reading assignments and actively participate in discussions on the material.
3. Quizzes and Tests: During the quarter there will be a minimum of three in class tests and take home assignments on the topics and concepts (or discussion thereof).

Final Examination: There will be a cumulative final exam covering the specified chapters and lectures. The format of each exam will consist of computation, essay and illustration.

The exams, in the course of the quarter, will yield a total of four (4) grades. Final grade will be based on the weighted average of the four grades.
The letter grades will be assigned on the basis of 95+ = A; 90-94 = A-; 86-89 = B+; 85 = B; 80-84 = B-; 76-79 = C+; 75 = C; 70-74 = C-; 66-69 = D+; 65 = D; 60-64 = D-; 59-0 = F

Required Text:
COURSE OUTLINE

INTRODUCTION TO MACROECONOMICS
Text: Economics, Eighth edition, Boyes and Melvin

Unit I: [Week 1] Introduction to Economics
Chapter 1: What is Economics
Chapter 2: Scarcity and Choice

Unit II: [Week 2, 3] Overview of Public Sector and Private Sector
Chapter 4: Circular Flow
Chapter 4: Role and Signs of Government

Unit III: [Week 4, 5, 6] National Income and Output Determination
Chapter 5: National Accounts
Chapter 9: Aggregate Expenditures
Chapter 10: Aggregate Expenditures and Macro Equilibrium

Unit IV: [Week 7, 8, 9] Macroeconomics Policy
Chapter 11: Fiscal Policy
Chapter 12: Money and Banking
Chapter 13: Monetary Policy

Unit V: [Week 10, 11, 12] Macroeconomics Problems and Issues
Chapter 7: Unemployment and Inflation
Chapter 14: Tradeoffs, Expectations, and Business Cycles
Chapter 15: New Keynesian, Monetarist, and New Classical