

**COURSE SYLLABUS  
SOUTHEAST MISSOURI STATE UNIVERSITY**

Department: Economics and Finance  
Course Title: Macroeconomic Theory

Course No EC410  
Revision Spring 2010

**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**

**Class Periods**

- |   |   |
|---|---|
| A. Basic Concepts   | 2 |
| B. The Short-run  | 9 |
| 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   | 9 |
| a. The Labor Market   |   |
| b. Labor, Goods, and Financial Markets – the AS-AD Model    |   |

D. The Long-run	6
a. Facts of Growth	
b. Models of Economic Growth	
E. The Open Economy	9
a. Openness in Goods and Financial Markets	
b. The Open Economy IS-LM Model – The Mundell-Fleming Model	
c. Exchange Rate Regimes	
F. Expectations	4
a. The Basic Tools of Expectations	
b. Financial Markets and Expectations	
c. The Goods Market and Expectations	
G. Pathologies	5
a. Depressions and Slumps	
b. High Inflation	
H. A Story of Macroeconomics	1

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

*Macroeconomics (5/e)*, Olivier Blanchard, Pearson Prentice-Hall, 2009.

**VII. Basis of Student Evaluation**

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