

Week 1: Principles of Macroeconomics and Trade

Day	Time	Topic	Related Activities
Day 1	Morning Afternoon Evening	*Introductions, Honor Code, Class Rules/Expectations *Pre-assessment *Introduction/Overview of Macroeconomics (Chapter 1, 6) *Math Review (If needed - Chapter 2 Appendix) *Practice problems selected from pg 20-22, 59-69 *Difficult Choices Activity – pg 8 Instructor’s Resource Manual (IRM) *Causal Relationships – pg 23 IRM	*Get to know you game (What’s your opportunity cost?) *Pre-assessment *Lecture: What is Macroeconomics?, Key Principles *Quiz Wars (math review problems)
Day 2	Morning Afternoon Evening	*Supply & Demand *Complements & Substitutes * Shifts in supply and demand *Price Ceilings/Price Floors (Quotas, Licenses) (Chapters 3, 4) *Practice problems selected from pg 90-92, 113-116 *Global Comparison (GC): Pay More, Pump Less *Drawing a Demand Curve – pg 38 IRM *A Ticket Shortage – pg 41 IRM	*Lecture (to quickly review the previous days material) *Giant Living Supply & Demand Activity *Would you switch? Would you eat PB with no J? Activity *Supply & Demand Bingo *Buying & Selling Turquoise Simulation – pg 39 IRM *Discuss Sugar Quota Problem – Pg 39 IRM
Day 3	Morning	Economic Models *Trade-offs *Circular-flow (Chapter 2)	*Lecture *What would you give up? Activity *Class Domestic Circular-flow Simulation – pg 21 IRM

	<p>Afternoon</p> <p>Evening</p>	<p>Trade:</p> <ul style="list-style-type: none"> *Comparative advantage *Production possibility frontier (Chapter 2) *Practice problems selected from pg 42-44 *GC – Pajama Republics *Economics in Action (EIA) – Rich Nation, Poor Nation – pg 19 IRM 	<ul style="list-style-type: none"> *Cast Away Quandary *Comparative Advantage (CA) Simulation Phase 1 (aka: Paper Clip v. Stapler Competition) – pg 20 IRM
Day 4	<p>Morning</p> <p>Afternoon</p> <p>Evening</p>	<p>International Trade</p> <ul style="list-style-type: none"> *Comparative v. absolute advantage *Sources of CA *S&D autarky v. trade (Chapter 5) <p>International Trade</p> <ul style="list-style-type: none"> *World price *Tariffs *Quotas (Chapter 5) <p>Evening</p> <ul style="list-style-type: none"> *Practice problems selected from pg 143-146 *For Inquiring Minds (FIM) – Increasing Returns and International Trade *FIM – Chinese Pants Explosion 	<ul style="list-style-type: none"> *Lecture *CA Simulation Revisited: Phase 2: Autarky v. Trade (shows there are gains from trade) * Introduce two-panel diagram analysis *CA Simulation Revisited: Phase 3: Import Quotas *Pick a Trade Dispute – pg 66 IRM * Two-panel analysis of tariffs/quotas
Day 5	<p>Morning</p>	<p>Tracking the Macroeconomy</p> <ul style="list-style-type: none"> *Expanded circular-flow with Foreign Markets *GDP calculations (including net exports) real and nominal 	<ul style="list-style-type: none"> *Lecture *Class circular-flow revisited: Open-economy *GDP calculation practice

		<p>*(cover CPI, PPI, GDP Deflator, and inflation rate calculations if students are unfamiliar) (Chapter 7)</p>	<p>*What's In, What's Out – pg 85 IRM</p> <p>*Who made a higher starting salary? Activity</p> <p>*If review CPI watch Christmas Price Index and have students create their own price index</p>
	Afternoon	<p>*Continue inflation lesson from Morning</p> <p>*Inflation & Interest Rates: shoe-leather costs, menu costs, nominal and real interest rates</p> <p>*Unemployment: types, causes, natural rate (Chapter 8)</p>	<p>*How often should a business owner go to the bank?</p> <p>*How often should a restaurant owner change their menu prices?</p> <p>*Who counts when the BLS counts # of unemployed?</p> <p>*Name that Unemployment – pg 95 IRM</p> <p>*GC – Unemployment Around the OECD</p>

Week 2: Economic Growth and the Financial System

Day	Time	Topic	Related Activities
Day 6	Morning	Long-Run Economic Growth *Productivity *Real GDP/capita *Growth rates *Rule of 70 (or 72) (Chapter 9)	*Lecture *EIA Group Case Studies – pg 107-108 IRM
	Afternoon	*Factors of L-R growth *Aggregate production function *Economic growth and sustainability (Chapter 9)	*Long*run Economic Growth and Natural Resources – pg 109 IRM *Some Economic Advise, Please – pg 110 IRM
	Evening	*Practice problems selected from pg 254-256 * Introduction of Country Analysis Project	Have students get into their groups to pick their country and begin planning for their project. Groups of 3 or 4 each pick a country and collect and track important macro data on that economy. Students will present data and make a L-R economic growth prediction based on indicators and factors of L-R growth.
Day 7	Morning	Savings, Investment Spending, and the Financial System *Loanable funds market S&D	*Lecture *Match the Saver with the Investor Banking Simulation (shows that financial intermediaries are necessary)
	Afternoon	*Role of financial intermediaries (Chapter 10) Income & Expenditure *Marginal propensity to consume/save *The multiplier – infinite series *Individual consumption function (Chapter 11)	*EIA – Banks & the South Korean Miracle – pg 121 IRM *Spending Round by Round – pg 134 IRM *What’s Your Consumption Function? (students think about their own personal consumption function)

	Evening	<ul style="list-style-type: none"> *Practice problems selected from pg 284-286 *Multiplier practice problems from pg 311-314 *GC – America’s Low Savings *EIA – The Multiplier and the Great Depression – pg 133 IRM *Group Country Analysis Project: basic key indicators for the country (current and past GDP, unemployment rate, inflation rate, exchange rate, consumption/savings rate) 	
Day 8	Morning	<ul style="list-style-type: none"> *Aggregate consumption function *Inventories *Investment spending (planned & unplanned) (Chapter 11 & Appendix) 	<ul style="list-style-type: none"> *Lecture *Inventories & the End of the Recession – pg 133 IRM
	Afternoon	<ul style="list-style-type: none"> *Planned aggregate spending (Keynesian cross) *Shifts of PAE with changes to consumption and investment (Chapter 11) 	<ul style="list-style-type: none"> *Working with the Aggregate Consumption Function – pg 134 IRM
	Evening	<ul style="list-style-type: none"> *Practice problems selected from pg 311-314 *EIA * Interest Rates and the U.S. Housing Boom – pg 133 IRM *Group Country Analysis Project: infrastructure and technology 	
Day 9	Morning	<ul style="list-style-type: none"> Aggregate Demand & Aggregate Supply *The curves (AD, SRAS, LRAS) *Wealth and interest rate effects (Chapter 12) 	<ul style="list-style-type: none"> *Lecture *Class AD Simulation (students each represent a Short-Run Planned Aggregate Expenditure equilibrium point and are challenged to “aggregate” and build the AD curve)

	<p>Afternoon</p> <p>Evening</p>	<p>*AD/AS model continued</p> <p>*Shifts and shifters (shocks)</p> <p>*Stabilization policy introduction (Chapter 12)</p> <p>*Practice problems selected from pg 347-349</p> <p>*AD/SRAS/LRAS Bingo (with student callers)</p> <p>*Group Country Analysis Project: government/economy structure and stability</p>	<p>*AD/SRAS/LRAS Bingo</p> <p>*EIA – Supply Shocks vs. Demand Shocks in Practice – pg 150 IRM</p> <p>*EIA – Is Stabilization Policy Stabilizing? – pg 150 IRM</p>
Day 10	<p>Morning</p> <p>Afternoon</p>	<p>Fiscal Policy</p> <p>*Expansionary/contractionary fiscal policy</p> <p>*Tax multiplier</p> <p>*Taxes vs. transfers vs. government spending (Chapter 13 & Appendix)</p> <p>*Balancing the Federal budget</p> <p>*Government debt and interest payments</p> <p>*Implicit Liabilities (Chapter 13)</p>	<p>*Lecture</p> <p>*What's the best fiscal policy? Discussion/Debate</p> <p>*EIA – Expansionary Fiscal Policy in Action in Japan – pg 162 IRM</p> <p>*EIA – About that Stimulus Package – pg 162 IRM</p> <p>*To Balance or Not to Balance? Activity – pg 166 IRM</p>

	Evening	<ul style="list-style-type: none"> *Practice problems selected from pg 436-438 *EIA – International Evidence of Monetary Neutrality – pg 188 IRM *Group Country Analysis Project: economic policy preference/past policy emphasis; interest and inflation rates 	
Day 13	Morning	<ul style="list-style-type: none"> Open*Economy Macroeconomics *Capital flows and balance of payments 	<ul style="list-style-type: none"> *Lecture * Group Country Analysis Project: approach to trade (open/closed economy); balance of payments *To Fix or To Float? Activity *EIA – Low*Cost America – pg 218 IRM *EIA – China Pegs the Yuan – pg 218 IRM
	Afternoon	<ul style="list-style-type: none"> *Loanable funds in 2 countries (Chapter 18) *Exchange rates – app/depreciation *The foreign exchange market S&D *Purchasing power of parity (Chapter 18) 	
	Evening	<ul style="list-style-type: none"> *Practice problems selected from pg 522-524 *Group Country Analysis Project: interest and exchange rates; purchasing power of parity; predictions for future L*R growth 	
Day 14	Morning	<ul style="list-style-type: none"> *Synopsis and review 	<ul style="list-style-type: none"> *Lecture *Finish up Group Country Analysis Project *Group Presentations
	Afternoon	<ul style="list-style-type: none"> *Group Country Analysis Presentations *Post*assessment 	
Day 15	Morning	<ul style="list-style-type: none"> *Final Presentations *Final thoughts *Certificates & goodbyes 	