

SYLLABUS

1. **Wayland Baptist University, SAN ANTONIO CAMPUS, School of Business.**

2. **Mission Statement:** Wayland Baptist University exists to educate students in an academically challenging, learning-focused and distinctively Christian environment for professional success, lifelong learning, and service to God and humankind.

3. **Course:** **ECON 4346-SA01, Survey of Economics.**

4. **Term:** **Fall 2009.**

5. **Instructor:** **Mr. Gary L. Moon**

6. **Home (Office) Phone (210) 945-4943** and Email: **moonecon@satx.rr.com.**

7. **Office Hours, Building and Location:** E-mail is always open! Otherwise I am an Adjunct Instructor and can almost always make your time either by telephone, email, or at WBU Main San Antonio campus, my time.

8. **Class Meeting Time and Location:** **Thursdays, 6:00 p.m. – 10:10 p.m. at WBU Main Campus (11550 IH 35 North, San Antonio, TX) in Room 115.**

9. **Course description:** **A one-semester survey course covering macroeconomics and microeconomics.** Credit will not be awarded for ECON 2307 (Macroeconomics) or ECON 2308 (Microeconomics) and ECON 4346 (Survey of Economics).

10. **Prerequisites:** None.

11. **Required Textbook and Resources:**

BOOK	AUTHOR	ED	YEAR	PUBLISHER	ISBN#	REVIEW
<u>Principles of Economics</u>	Gregory N. Mankiw	5 th	2009	Cengage Learning	0-324-58997-2	Spring 2010
We will focus on Chapters 1 thru 7, 9, 10, 12, 13 thru 17, 19, 23, 24, 27, 28 thru 30, 33 and 34.						

12. **Optional Materials** that may help include:

A. Textbook's website: www.cengage.com/economics/mankiw. This support site links chapter to PowerPoint slides, other economics-related Internet sites for papers, economic indicator data, and best of all—career listings after graduation.

B. American Psychological Association. (2001). **Publication of the American Psychological Association, 5th Edition.** Washington, DC. (ISBN 1-55798-791-2). This is the *how-to-write-a-paper source* used by all businesses and WBU.

13. **Course Outcome Competencies:** Upon completion of the survey course undergraduate students seeking a Bachelor of Applied Science will have an understanding of economic principles and policies involving national fiscal, monetary, and international trade decisions and their economic impacts on individuals, business firms, and industries. We will use supply and demand analysis to develop a Pro-Con reasoning sense to explain how and why societies behave characteristically in resolving conflicts relating resource markets to product markets whilst focusing economic objectives on meeting **goals of high and sustainable economic growth, price stability, and low unemployment.** Specifically, students should be able to:

• Demonstrate the development of an Economics vocabulary by defining the selected Key Concepts listed in each required chapter of study in the textbook;

- Identify the Ten Principles of Economics and briefly explain each;
- Explain the difference between microeconomics and macroeconomics.
- Identify the major economists highlighted in this study and briefly explain their contribution to the field of Economics;
- Explain how everyone can benefit when people trade with one another;
- Explain the meaning of absolute advantage and comparative advantage and apply the theory of comparative advantage to individual decisions and to national policy;
- Explain supply and demand and what determines the supply and demand for a good in a competitive market—illustrate with models;
- Explain the key role of prices in allocating scarce resources in market economies;
- Explain the meaning of the elasticity of demand, and the elasticity of supply;

- Explain the effects of government policies on markets;
- Explain how taxes reduce consumer and producer surplus; deadweight loss of taxation;
- Explain the effects of free trade and who wins and loses from international trade.
- Define externalities and explain how they can make market outcomes inefficient;
- Identify various government policies and their effects on the problems of externalities;
- Explain efficiency vs. equity tax system designs, and differences in benefits, ability-to-pay, and tax incidence principles;
- Define costs of production in the short vs. long runs and how they impact economies of scale at maximum profitability;
- List characteristics of competitive markets and explain how firms in competitive markets make decisions affecting supply;
 - Define monopoly, monopolistic-competitors, and oligopoly; and explain how each firm makes decisions that affect supply and price and how this affects various buyers and sellers;
 - Explain why earnings vary so much from person to person and why efficiency wages often lead to more unemployment;
 - Define how a nation's macroeconomic metrics of Real Gross Domestic Product and Unemployment Rates indicate national goal achievement of economic growth, price stability, and low unemployment;
- Explain how the Consumer Price Index is constructed and how to use it to compare dollar figures as prices for designated years;
 - Describe the central banking system (the Fed) of the US, the monetary tools the Fed uses to control the money supply in the US, and how the Quantity Theory of Money (QTM) responds to change in the money to change Real GDP;
 - Describe how a self-regulating, open-economy moves aggregate demand and supply to meet full employment GDP;
 - Explain the influence of Monetary and Fiscal Policy on Aggregate Demand and Real GDP if the free-market fails.

14. **Attendance Requirements:** If duty calls for absences, make friends with smart, note-taking attendees. Per clearly written WBU and VA guidelines, any **student missing 25% (3 meetings) of the 11 scheduled classes will receive a grade of "F"** for the course—*no exceptions allowed, regardless of the reason(s)*. As a matter of courtesy, inform me prior to class starting if you need to depart early. (For those counting, 25% of 11 meetings equals 2.75 classes; regardless if “excused” or unexcused; so the third absence is the magic number.) ☺ Realizing traffic *externalities* occur, **three (3) "tardies" may count as one absence.**

15. **Students experiencing Disabilities:** In compliance with the Americans with Disabilities Act of 1990 (ADA), it is the policy of Wayland Baptist University that no otherwise qualified person with a disability be excused from participation in, be denied the benefits of, or be subject to discrimination under any educational program or activity in the university. The Coordinator of Counseling Services serves as the coordinator of students with a disability and should be contacted concerning accommodation requests at (806) 291-3765. Documentation of a disability must accompany any request for accommodations.

16. **Course Requirements and Grading Criteria:** Course has **three exams each worth 25%, and one PRO/CON/ANALYTICAL, data-driven, POSITION paper worth 25%. Final grade is the average of these four assessments.** We will adhere to WBU's grading policy, but I will give numerical grades to give both of us specific feedback on how well we are meeting our objectives. Upon completion of this course, students will use words, mathematics and graphics to define and explain how nations meet or fail to achieve their common, wealth-producing goals. *Ideally, the course prepares you to analytically support or criticize a given position using objective economic data so you can critique other's arguments—constructively.*

A. **Exams are objective and subjective**, emphasizing the application of definitions and principles to assessing real world situations having economic ramifications. They require math solutions, written explanations; and always, thinking before answering. Generally, you'll describe theory, then assess fixes to real-world issues.

B. **Make-up Exams.** I will do my best to accommodate your work schedules, but see me before a crisis for details and possible arrangements. **All exams must be made up before the next scheduled class meeting.** *Are “make-ups” harder than regular exams? Of course—you have longer to study than others taking the regular exam per schedule.*

C. **Position Paper Guidelines.** **Present research data and analysis of both sides** (pro, con) of an **economic issue** or resolution; **then argue your position using that analytical evidence** in support. Focus research on government, business, or international economic actions or policies involving fiscal, monetary or international exchange and trade that seeks to preserve or explain solution impacts on price stability, unemployment, economic growth, corporate or individual economic behavior, or externalities.

(1) **The poignant and substantiated paper** should cover **4-6 pages**, typed, and double-spaced. **Include an Abstract** (good practice for business decision makers) and **References Page** using the **format guides** in the **Publication Manual of the American Psychological Association (APA), 5th Ed** (often called the APA Manual; see Wayland Baptist University Bookstore for a copy—or any college library in the area). For **guidance on the Abstract page**, see p. 12; for the Reference Page, see p. 28 and pp. 215-281 (read p. 219 on use of reference list); and for clear examples on citing Internet sources, see pp. 231-281, paying particular attention to p. 268 (citing electronic references) and p. 272; and use p. 274 for most of your on-line reference citing formats. Take great care to cite the entire reference so I can find it. Practicing proper formatting prepares you to compete at the

management and executive levels of your major where writing it right the first time is expected when you are evaluated comparatively against other college graduates. To *that extent, though the paper is short, do recall you convince your busy boss in the Abstract, impress peers and your staff in the body, and establish your credentials as a subject matter expert (SME) on the References Page.* {First timers note: the title, abstract, and reference pages do not count in the paper's 4-6 page length. ☺}

(2) Small point on binders and presentation: *just staple your Position Paper* for turn-in. No need for fancy folders or document protectors, as there are no style/appearance points. In honor of world-wide economics, cheap is good.

(3) Don't let pride hinder this requirement—*university-work is about learning how to learn*, not being graded. WBU provides an English teacher every Saturday from 10 AM - 2 PM to assist with writing term papers—at no charge. *Think of the economics here: perfection for free equals a stunning deal!* Upon graduation, your future is in the executive arena; hence, organizational proposals and position papers are presumed to be equally perfect in content, style, and form. I'll grade accordingly.

(4) Sources: Use a minimum of three (3) sources, only one of which may be from a daily newspaper or weekly news magazine. (The textbook isn't a source.) Great starting place is WBU's Learning Resources Center (LRC) in Plainview, TX at www.wbu.edu/lrc where you can also go toll-free (800 459-8648) for research assistance or have research materials sent to you. And, WBU or the LRC has **TexShare Cards** that permit you to borrow materials from about all of the San Antonio area libraries. **I can help get your started--see "INFORMATION TECHNOLOGY below to begin your sojourn;** but do **read what WBU's Mabee Library has to help you on p. 8-9 of this Syllabus. Good Stuff!**

17. ACADEMIC HONESTY: This class adheres to zero tolerance for using someone else's work as your own. Students are responsible for reading, understanding, obeying, and respecting all academic policies, with added emphasis being placed upon academic progress policies, appearing in the Wayland Baptist University Academic Catalog applicable to their curriculum and/or program of study. Regarding plagiarism, it is illegal in Texas to plagiarize a direct quote or another writer's idea from any source, including the internet. It garners an automatic "F," for the course, so give credit where due, and do it correctly per the APA Manual. Be perfectly brilliant with original thoughts, but be for real whilst performing such hire wire acts.

18. Syllabus note: This syllabus is only a plan, modifiable for academic reasons during the course if prudent. Therefore, the requirements of the course may be altered from those appearing in the syllabus. The plan also contains criteria by which the student's progress and performance are measured; and that may also be changed, if warranted.

19. WBU E-MAIL. CHECK IT AT LEAST WEEKLY! When you registered, WBU provided you an OFFICIAL E-Mail account and address—validate your address and account ASAP, then check it! I will use that address as the primary way to contact you with class alterations should weather cancel a class; or worse case, have WBU send you a Report of Unsatisfactory Progress so both of us know we have work to do to get you through this senior level college course.

20. SCHEDULE for CLASS preparation and work, EXAMS and a Term PAPER.

DATE CHAPTER READING OR CLASS ACTION REQUIRED
Microeconomics—Market System works through A. Smith's (1776)"Invisible Hand"

Aug 20, 2009 Read Chapter (Ch) 1 & 2. Define economics and conceptualize Ch 1's Principles in detail, as these are immutable human behavior laws. Take time to comprehend Adam Smith's *Invisible Hand* in *FYI* on p. 11; then synergize (tell the story) this with Principle #6 on pages 8-10. Focus on Principles 1, 2, 4, 5, and 7. Understand Ch 2's Circular Flow and the course is easy. Funnel your study on every detail of the Production Possibilities Frontier (PPF) and you understand why wars occur—economic limits drive tradeoffs. Peruse the Appendix to renew skills in graphing, slopes, functions, shifts and causality. "Thinking like an economist" in structuring your Paper's research is worth considering.

Aug 27 Read Ch 3 & 4. Ch 3's trade and specialization drive the Law of Comparative Advantage to expand Ch 2's PPF peacefully and pace Ch 9's International Trade. *Explain why differing opportunity costs make trade beneficial for nations--think specialization exploits economies of scale advantages.* Distinguish between absolute and comparative advantage, noting which drives international trade decisions. For your professional knowledge, page 57's *FY: The Legacy of Adam Smith and David Ricardo is must-read* as these two guys rock your world, now! Ch 4. Read the Conclusion and Summary first as they form the heart and soul of Economics: Laws of Demand and Supply. Knowing the differential impact on Quantity between a "Price change (Δ)" (movement along the Demand or Supply curves) and "non-price change (Δ)" (Shift left/in or right/out) is critical to telling the "what happens to Equilibrium Quantity (Q_e) if Price (P_e) changes" story. *You can't study this chapter enough! Comfort level arrives when you know if you are changing Q_d or Q_s , or shifting Demand or Supply, that later determines a new P_e at Q_d or P_e at Q_s .* The four tables in **Ch 4** summarize marvelously. I can honestly say this author's textbooks are used by your China and India peers, tonight—study to compete well in globalism!

Sep 3 **Ch 5 & 6.** **Ch 5** answers life's ponderings, why do "they" charge so much, or so little? Note that Total Revenue is a function of two critical variables: Price Elasticity of Demand and Supply. Total Revenues (TR) minus Total Costs (TC) drive Profits (Π), so *slope of the Demand and Supply curves shows sensitivity of ΔQ to ΔP* . Commodity markets hinge on price elasticities! Why do governments tax the inelastic demanded goods?

Study Ch 6 in detail to addresses governments countering the Laws of Supply and Demand in meeting the sociologically disenfranchised political demands: *price and rent controls (ceilings); and subsidies and minimum wage laws (floors)*. Why don't controls and subsidies work? Using **Ch 5's** Price Elasticity, who pays the tax burden (different from *incidence*) for **Ch 6's** governments manipulating market system laws in **Ch 1 and 4**? [Depends on inelasticity, yes?] Take a little time on p. 129's graph to learn *how to explain* tax burdens!

Sep 10	EXAM #1: Ch 1, 2, 3, 4, 5, and 6. [Value: 25% of course grade. Figure two hours for the magical experience. Yes, we have class after the exam. ☺]
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Microeconomics: OK, the Market System apparently isn't perfect and fails, sometimes. Benevolent Social Planer isn't pleased.

For Class→ **Peruse Ch 7 and Read Ch 9.** For **Ch 7**, stop momentarily to grasp the concept of Consumer Surplus, p. 142; Producer Surplus, p. 146; and Market Efficiency, p. 148. This lets us talk to market efficiencies or failures (**externalities**) later. I think p. 150's *Markets for Human Organs* and p. 151's *ITN on Ticket Scalping* are two superb analytical pieces about markets trumping well intentioned governments—Prices best allocate scarcity! **Read Ch 9.** Knowing whose "surplus" is gouged answers the World Trade Organization's (WTO) riddle in the enigma: do free or **restricted trade markets via import Tariffs** (and of secondary priority, Quotas) **benefit or hurt** domestic consumers, unions (labor), governments, businesses, and/or import license holders? **Know the arguments pro and con for restricting trade** (pp. 188-191). *There are three great Paper topics to expand with data in those In The News articles on pages 187, 189, and 192; and they don't agree on globalism's usefulness.*

Sep 17 **Read Ch 10 & 12.** [Great paper ideas here!] The US consumes almost 29% of the world's resources, but we are only 4.6% of the population, yet 26% of the pollution. The Private Sector, as influenced (controlled?) by the Public Sector, does fail. Why? **Absorb Ch 10's** treatment of *PIGOU vs. COASE (Theorem) entirely*—these guys are now altering your world. **Externalities:** delineate *positive versus negative* ones and focus on explaining *internalizing the externality via zero or insignificant transaction costs* and shifting demand and supply curves accordingly. Do a pro vs. con on Pigou's regulations (*corrective taxes and subsidies*) and Coase's voluntary incentivization (tradable pollution permits driving a *Cap-and-Trade* climate program) to clean Earth's pollution. **Read Ch 12's Design of the Tax System** is worth serious definitive note taking. Follow every government's thinking as a "they" explain why taxes are as they are. Pause to grasp YOUR future fiscal challenge ahead—paying for MY demographic 'old folks' demands for medical care and retirement income support. The *baby boomers* (born 1946-1964) have tons of time to vote ourselves a growing piece of your income pie! Come out of this understanding the efficiency (lump sum taxes) vs. equity tradeoff involving the Benefits and Ability-to-Pay principles as they grapple with vertical or horizontal equity thresholds. Can we ever get the proportional-regressive-progressive equity dichotomies correct? Look at the "fly paper theory" of tax incidence vs. tax burden—isn't that just Ch 5 & 6? Finished? See if pp. 258-259's *ITN: Q&A about Tax Reform* makes sense!

Sep 24 **Review Ch 13, 14, and 15 for understanding and graph explanations and study Ch 16 & 17.** *I'll cover the essence of these organizational characteristics in a handout to set corporate organization spectrum.* I'm playing in your BSOE-Business Administration sandbox, so if you've had accounting and/or financial management, you will blow through this at warp speed; but, *if Economics is one of your first courses, read Ch 13 in detail.* I take for granted you understand "cost language," especially economies and diseconomies of scale, but just in case, I'll pause for the cause—Table 3, p. 283 is super! **Study comparatively Ch 14's Firms in Competitive Markets and their opposite Ch 15's Monopolies.** We have been doing **Ch 14's perfect competition theory** thus far in the course, so finish the analytical basis for comparing other forms of business behavior to this model. **Fig 1, p. 294: understand Profit is maximized and Optimum Social Output occurs at Price = Marginal Revenue = Marginal Costs at the minimum point of the Average Total Cost Curve.** For **Ch 15's monopoly theory**, focus on Fig 3 (p. 318) and Fig 5 (p. 321), noting the Monopolist always has a negative externality of a perennial Price Markup by setting Q_{sold} at $MR = MC$, but Price goes up to the Demand curve, creating excessive (unused) capacity that supports an economic profit (not good).

Read Ch 16's Monopolistic-Competition, noting the vast majority of the world's business is done by this organizational structure. Spend some time on this chapter, particularly Fig 2 (p. 349) and Fig 3 (p. 350) focusing on how Monopolistic-Competitors ensure profits at prices above resource allocative efficiency per Capitalism's preference. *Note the \uparrow economic profit in the short run (bad), but zero economic profit in the long run (good) because the Price equals the firm's Average Total Costs in the long run.* However, Mono-Comps still fail the

market system by retaining *excess capacity (bad)*. Do the **pro/con drill on advertising** (pp. 356-360) to appreciate how economists and business grads differ on the social value of marketing majors manipulating images to formulate excess profits in the short run. *FYI, Galbraith vs. Hayek*, p. 358 is an outstanding read! ☺ **Read Ch 17's Oligopoly**, focus on pricing techniques and hone in on their natural failure tendencies—greed and fear leading to cheating on Supply. Spend some time on Game Theory if you haven't had statistics; however, for you romantics, John Nash's life (Gaming in Economics = Nobel Prize in 1994) was the movie theme in *A Beautiful Mind*. This chapter is all about OPEC's power and US' mid-East policies, so focus on pp. 372-376 (Fig 4) and you are up to speed on the "oil/gasoline price business." Make solid notes about the *Public Policy toward Oligopolies* section, respecting the details of the Sherman Antitrust Act (1890) and Clayton Act (1914). I'll spend a time *Controversies over Antitrust Policy* because economists see some positive value in how Oligopoly efficiencies, albeit squashing competition doing it. Pages 382-384's *A Reversal of Policy* and *The Microsoft Case* are professional readings to explain why "pricing power" is such an emotive issue—in the courts!

Oct 1 **Read Ch 19; pause, then Ch 23.** Unions play applying **Ch 5's price (wage) elasticity of demand** to the issue of **earnings and discrimination**. Education is the greatest enhancer of earnings, but only if one maximizes his/her natural talents (passion for doing). Those calling for equal wages or non-discriminatory income structures, objective-only hiring criteria bump into the unintended consequences fostered by corporate leaders, politicians, and laborers seeking above-equilibrium wages such as minimum and living wages, union fixed wage contracts, and **efficiency wages** where higher wages actually foster increased unemployment. **YOU need to explain this one!** The market system punishes discriminators with higher prices, less profit—why? Page 426's *Gender Differences* is a most timely read for the rest of the 21st Century to explain wage-differentials amongst sexes.

NOTE: THIS ENDS MATERIAL FOR EXAM #2.

Macroeconomics: Aggregate efforts by business and governments to achieve national economic goals: #1-high and sustainable economic growth (use Real GDP); #2-price stability (use CPI, PPI); and #3- low unemployment (use Ue%).

Start Final Exam→**Read Ch 23's Measuring Gross Domestic Product (GDP)**. Real GDP (constant dollar GDP) uses the GDP Price Deflator to take out the effects of pure price changes from Nominal GDP (current dollar GDP). Economists use modeling via the **Expenditures Approach** [know the variables of $Y = C+I+G+NX (EX-IM)$] or **Income Approach** to measure GDP. It is imperative that you *explain the difference in Real and Nominal GDP*, and *know how well GDP does and does not measure standards of living*. Come out knowing regardless of the political and social hyperbole you hear, a *recession* occurs only if we have two consecutive quarters of negative (declining) Real GDP. Otherwise, you'll fall in Osama bin Laden's trap of concluding he accomplished his goals—he didn't, and this chapter allows you to be factually correct in explaining why in his attack on YOU! Point: use economic facts to trump political pandering/patronizing by global power brokers.

Oct 8	EXAM #2: Ch 7, 9, 10, 12, somewhat 13, 14, 15, but in detail 16, 17 and 19. OPEN NOTES ☺. (No, NOT Open Book.) [Value: 25% of course grade. Figure two hours for exam. Yes, we have class after the exam. ☺]
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For Class→ **Read Ch 24's Consumer Price Index (CPI)**; then **peruse Ch 27 for knowledge**. **CH 24** drives all cost of living adjustments, tax and social security changes, payroll taxes, and of course, bills. Review the "FYI CPI Basket" on p. 533. Know the chapter in detail, *especially the difference in Real and Nominal interest rates*. You will **use the CPI (formula on p. 532)** for pay raise requests, divorce and child support settlements, or civil court suits for damages. Bring a calculator to class for this part. Get the notes from students if you are absent!

For Class→ **Peruse Ch 27. Pages 600-610 are magnificently instructive**—hang your Thrift Savings Plan (TSP, 401(K) Retirement Plan or Roth/Regular IRA programs on **The Efficient Markets Hypothesis** and *Random Walks and Index Funds* sections. I'll answer any questions; otherwise, this chapter is for YOUR information only. The *Time Value of Money* concept is the backbone of all Finance courses; and the *Risk-Return Tradeoff* is the essence of your standard of living. *If Ch 27 thrills you, wealth will be yours; if not, wealth won't be yours.*

Oct 15 **Read/study Ch 28, 29, and Ch 30's pages 663-672** (for fun, peruse *The Wizard of Oz* debate, pp. 682-684.) **Study Ch 28** to know the definitions of and calculate the unemployment (Ue), employment, and the labor-force participation rates. Follow with determining the strengths and weaknesses of the unemployment rate as indicating what we think it does; or explaining why some people are always *statistically unemployed*. Get into the weeds of the impacts of increasing mandatory minimum federal wages. The parts on unions using minimum wages to decrease competition (alter the union member elasticity of supply) are key to future chapters on Fiscal and Monetary Policy. Ditto for the Theory of Efficiency Wages—making YOU-the-business person YOUR own enemy. J. M. Keynes used your tendencies against you in the Depression (1930-1939) and took your capitalistic self-regulating powers away, in favor of the Benevolent Social Planner's government influence today. I like pp. 623-625's *Job Search and Unemployment Insurance* discussion. **Read Ch 29**, spending time on M1 and M2 types of money (Fig 1, p. 646), the overview of the Federal Reserve System (the Fed), then the **detailed discussion of the Banks and Money Supply and the Fed's Three Tools of**

Monetary Control. This is what drives every Finance course, your home loans, and the stock market fluctuations, *Fed's Tools of Money Control* on pp. 653-658 are your life in finance, investment banking; knowledge is *wealth!* **Read Ch 30, pages 663-672, Quantity Theory of Money** to appreciate HOW the Fed influences *inflation and deflation* by changing (Δ) Money Supply (ΔM_s) to Δ Prices to Δ Consumption that Δ 's GDP. Knowing this brings converts you to being the successful manipulator of your own investments. Monetarists believe with ΔM_s , Fed's Δ interest rates ($\Delta i\%$) to drive Δ Consumption (households) which Δ Investment (businesses, wages) to ΔY GDP. Take time to really understand Fig 2, p. 668 after first grasping Fig 1, p. 667. We'll fix nations via these graphs! The Case Study, p. 682-684 pops your *Wizard of Oz* movie bubble—it's just a *silver debate*—a fun read. ☺

Oct 22

PAPER DUE! NO LATE PAPERS! *You've had this "Suspense Date" since August 20, 2009.* Agree? I'll return your paper on 29 Oct 2009 to help you determine Final Exam performance desires. ☺ ☺

For Class→

Read Ch 33 & 34. Ch33 helps grasp where A. Smith (*Wealth of Nations*, 1776) said **economies self-regulate** and K. Marx (*das Capital*, 1867) said concentration of wealth destroys capitalism. Use the **Aggregate Demand (AD) and Short-run Aggregate Supply (SRAS)** curves to explain changes and impacts in the Expenditure Model of **GDP: $Y = C + I + G + NX$ [EX-IM]**. Explain why the **AD curve slopes downward** and the **SRAS curve slopes upward**. Now, **SHIFT non-Price variables of AD and SRAS curves** to create Deflationary/Recessionary and Inflationary Gaps and explain **self-regulating, natural changes** to correct those AD and SRAS curves back to Full Employment. Tables 1 (p. 752) and 2 (p. 761) are excellent for making sense out of Figs 7, 8, 10, and 11. **Ch 34 is THE COURSE in its Finality.** John Maynard Keynes (1932) called for "market socialism," today you say "progressive corporatism," code for **purposeful government manipulation of macroeconomic variables** to alter the extremes of the market system—labeled it **Fiscal Policy**. Adam Smith and David Ricardo called for **Monetary Policy** via a *credible banking system* to correct the ills of business decisions. By analyzing **liquidity preferences**, *Fiscalists see multiplier effects* of changing Government spending/taxation policies, bolstered by **automatic stabilizers** as key to kick start too-slow or control too-fast growing economies. *Monetarists* counter that a **crowding out effect** of $\uparrow G$ spending or \downarrow Taxes can decimate an *multiplier* growth. To synthesize this chapter we'll find debilitating national **Deflationary/Recessionary Gaps** [\downarrow GDP, $<$ $\uparrow U_e$, or \downarrow CPI]; or **Inflationary Gaps** [\uparrow GDP, $>$ $\downarrow U_e$, and \uparrow CPI] in *The Economist's* handout I provide and **fix them!** Use the graphics in Fig 2, 3, and 5. Make the Pro/Con case for *active stabilization policy* to justify *why the Government* should (or not) manipulate the economy as *business cycles naturally* drive economies up and down and up and down!

Oct 29

EXAM #3—FINAL. OPEN NOTES ☺. (No, NOT Open Book.) Focus on Ch 23, 24, 28, 29, 30's pp. 663-672, and all of 33 and 34. [Value: 25% of course grade. *To maximize the pleasure, take all four hours if you want!*]

NOTE: Final Exam details and Grade, and FINAL COURSE GRADE feedback: if you want details of this cool experience, include a self-addressed, stamped envelope with your FINAL and I'll mail you feedback ASAP. **Or**, I can send the information by e-mail—but you must send me an e-mail requesting that material. *Keep in mind privacy is lost on the Internet* when I "Reply", so you are tasking me and I'll comply. Finally, if you just want the grade, you can check that on your WBU IQ Web page.

INFORMATION TECHNOLOGY: Internet search tools on the World Wide Web (www.) "Embolden" items work great!

Ask Jeeves (<http://www.ask.com>) This UK search engine picks up academic sources Google leaves out. Surprisingly useful.

Argus (<http://www.clearinghouse.net>).

Google (<http://www.google.com>) I find this to be the best "subject" generator for initial research in economics.

Microsoft's Network search engine (<http://www.search.live.com>).

Webcrawler (<http://www.webcrawler.com>) World Wide Web's Virtual Library (<http://www.w3.org>).

Wikipedia (<http://en.wikipedia.org>). CAREFUL using this as a source of anything academically valid, there are zero academic enforcing mechanisms to ensure validity of data and facts! But, this source can get you started via a frame of reference.

Yahoo (<http://www.yahoo.com>) About equal to Google in resources, but less "academic" in nature for research.

Useful Websites, TV and news sources relevant to applicable economic analysis for research: "Embolden" = Super!

AmosWeb. A whimsical interpretation of economic news, excellent start point for paper. <http://www.amosweb.com>

Asia-Weekly, Asian business news in great detail. <http://www.asia-weekly.com>

Barron's Online for *Market Laboratory* to follow **FED's monetary policy impacts**: <http://online.barrons.com/mktlab>.

BBC News, internet—get the UK and European view of all things worldly and economic: <http://news.bbc.co.uk>

Bloomberg Market and Economic News—advice: read daily. Click on the Bloomberg TV or Bloomberg Radio toggle and watch tomorrow or today's business on your laptop or PC. <http://www.bloomberg.com>

Bloomberg Market News on YOUR cable TV: 4 AM to 7 AM, Channel 61 on Time Warner Cable. The best investment and economic analysis on TV—shows what happened tomorrow everywhere in the world before today in the USA. Cool!

Cable TV CNBC business news: 5 AM to 7 PM, Channel 37 on Time Warner Cable. Watch detailed analytical economic and investment programs (plus the usual cast of pretty people) into the night. Advice: view this daily.

Financial Times, See tomorrow before ‘today’ in the US through London eyes. <http://www.news.ft.com/home/europe>.

Hong Kong News (China news in English): Go here for Far-eastern economic and political news. <http://www.hongkongnews.net>.

International Herald Tribune—read Europe’s take on US’ daily behavior. Read this on travels abroad. <http://www.iht.com>.

Latin American economic news source you can trust for solid data. www.latin-focus.com/#news

Manila Times. Philippines business news, in English. <http://www.manilatimes.net>

Microsoft’s and NBC’s combined web site for YOUR investments. <http://www.moneycentral.msn.com>. Click on **CNBC**.

Moody’s bond service and **economic news**. Super financial source related to economics. <http://www.economy.com>

Motley Fool: <http://www.fool.com> Go here to learn about investments following economic news. Excellent short, explanatory papers covering ‘indexing,’ and investing for those seeking wealth. Great free site for learning how to invest.

Morningstar’s Mutual fund analysis: Match your investments/mutual funds to the S&P 500 Index trend line. Is YOUR fund above or below the S&P Index trend line for \$10,000 over the 10 year period? <http://www.morningstar.com>

Oil prices—watch world-traders move prices off world news at the New York Mercantile Exchange. <http://www.nymex.com>

Reuters--a solid business and economics source for world news as it happens. <http://www.reuters.com>

Smart Money magazine--super **daily news** in detail. a “must see” daily site. <http://www.smartmoney.com>

South Korea’s most read daily paper is *The Choson Ilbo*, great for Pacific Rim economic news. <http://www.english.choson.com>.
For more conservative South Korean takes on China, read the *Yonhap News*. <http://english.yna.co.kr>

The China Daily: Read the Business news economic issues of your **#1 Competitor in 2027**. <http://www.chinadaily.com>.

The Daily Yomiuri—Japan’s #1 newspaper. *Read about tomorrow, today*. <http://www.yomiuri.co.jp/dy/>

The Economist: This is weekly news by the British as they see the US and world. *Great starting place for paper topics--best pro-con, bottom line “global-economics magazine” in existence*. www.economist.com

The New York Times: Great business section with a socio-political tint. www.nytimes.com

The Moscow Times: Great source for developing Russian economic and oil supply issues. <http://www.themoscowtimes.com>

The Times of India: Read the Business and Economic news of your **#1 Competitor in 2050**. <http://timesofindia.indiatimes.com>

The Washington Post: Marvelous place to start political-economic papers. www.washingtonpost.com

Yahoo!Finance. Get both daily **currency exchange values** and solid financial and economic news. <http://finance.yahoo.com>

World News: Get the entire world’s news, by nation, updated hourly. Good topic source. <http://www.worldnews.com>

Notable Internet Economic resources for Paper Writing: “embolden” says I use or previous students used the site.

Avert. UK-driven international HIV/AIDS charity. Good data source on global AIDS epidemic with harsh photos. www.avert.org.

Blog (daily) site of two brilliant economists, Becker and Posner. <http://www.becker-posner-blog.com>

British Antarctic Survey site. Get your global warming, ice melting data here! <http://www.antarctica.ac.uk>

Business statistics are nicely presented here. <http://www.bizstats.com>

Center for Global Development: think-tank that usually counters WTO and supports poverty issues. <http://www.cgdev.org>

Conservative economics view of international **globalism** by the **Institute for International Economics**. <http://www.ii.com>

Conservative economics **data source** by the National Bureau of Economic Research: <http://www.nber.org>

Conservative economists you see on TV are at the Cato Institute. <http://www.catoinstitute.com>

Conservative economics analysis by the Center of Policy Analysis, with **pro-con academic DATA papers arguing against central Government manipulation** of macro-economic variables. <http://www.ncpa.org>

Conservatives are biased, but solid economic data is presented by the Concord Coalition. <http://www.concordcoalition.org>

Council of Economic Advisors & the Economic Report of the President. Click on the most recent Report you seek. These folks control your wealth via advising the President on “your” needs. <http://www.whitehouse.gov/cea/>

Defense Department Global War on Terror (GWOT) statistics. <http://www.defenselink.mil/news/casualty.pdf>

Demand and Supply inelasticities and elasticities are at the Mackinac Center for Public Policy. <http://www.mackinac.org>

Department of Commerce, **Bureau of the Census**. Marvelous paper writing data layouts. <http://www.census.gov>

Department of Commerce, **Bureau of Economic Analysis** (best source of **GDP/GNP** data). <http://www.bea.doc.gov>

Department of Commerce, **FedWorld Information Network**. <http://www.fedworld.gov/>

Department of Energy view of all things ‘energy’ and OPEC. www.eia.doe.gov

Department of Labor, **Bureau of Labor Statistics** (best source for **CPI, Unemployment** data). <http://www.bls.gov>

Department of the Treasury. <http://www.ustreas.gov/>

Directory of **State Economic Data Centers**: <http://www.census.gov/ftp/pub/sdc/www/sdctxt.html>

Economic Statistics in the **Briefing Room of the President**. Beautiful charts! <http://www.whitehouse.gov/fsbr/esbr.html>

Economic Statistics normalized for all sorts of data. <http://www.econstats.com>

Education economic topics are at the National Council on Economic Education’s site. <http://www.ncee.net>

Employment Equal Opportunity Commission (EEOC). Equal opportunity rulings and economic impacts. <http://www.eeoc.gov>

European Union. <http://europa.eu.int/>

Europe’s Agency for **Environmental issues**. These folks will usually counter US positions—great source. <http://www.eea.eu.int>

Federal Reserve Bank Go here for **monetary policy** data, **money supply** and **interest rate manipulations**, Fed “Tools” decisions, **Beige Book**, **FOMC Minutes of Meetings** (decisions). <http://www.federalreserve.gov>

Foreign affairs and international relations challenges. <http://www.foreignpolicy.com>

Hispanic business data and economic news. Great job source after graduation: www.hispanicbusiness.com
 How about the Law and Economics & Finance (M&A's) at the Department of Justice? <http://www.usdoj.gov/>
 Insurance Information Institute's Financial Service's Fact Book. Good data source for risk management. <http://www.iii.org>
 International energy data position papers. You'll find tons of data on oil imports/exports by nations. <http://www.iea.org>
International Monetary Fund. <http://www.imf.org/>
Internal Revenue Service (IRS) has tons of charts and statistics. <http://www.irs.gov/taxstats>
International foreign currency and is done well in the **Foreign Exchange News**--worth a visit just to read how this site links exchange **monetary exchange news** rate changes to world political and economic events! <http://www.forexnews.com>
Investment sources: New York Stock Exchange (NYSE) <http://www.nyse.com>; National Association of Security Dealers Automatic Quotations (NASDAQ), <http://www.nasdaq.com>; and Chicago Mercantile Exchange (CME) for **stock futures** <http://www.cme.com>. **Commodity futures** see Chicago's Board of Trade (CBOT), <http://www.cbott.com>, and **agriculture** sources are at <http://www.agriculture.com>, <http://www2.barchart.com>, <http://www.futuresweb.com>, www.agweb.com, <http://talk.newagtalk.com> and <http://www.fas.usda.gov> for foreign agriculture data. **Oil trading** see New York's Mercantile Exchange (NYMEX) at <http://www.nymex.com>. **Stock options** (puts and calls) see Chicago's Board of Options Exchange (CBOE) at <http://www.cboe.com>. A **NEW trading market for pollution permits/credits** is the Chicago Climate Exchange (CCX) at <http://www.chicagoclimateex.com>.

Iraq/Afghanistan non-official casualty data layout of US and Allies war effort in the Mideast. [Eyes open, here.] <http://icasulaties.org>
 Liberal economics analysis is done well by the **Economic Policy Institute**, with pro-con academic data papers arguing for central Government manipulation of macro-economic variables. <http://www.epinet.org>
 Liberal economic views are in argumentative detail in **The Nation**. <http://www.thenation.com>
 Liberal public economic policy issues are at The Public Agenda site. <http://www.publicagenda.org>
 Liberal views (sometimes extreme) of equity versus efficiency are done by *Prout*. <http://www.proutworld.org/news/index.html>
MBA Jungle magazine (on-line)—good reading for your major and future. <http://www.mbajungle.com>
 National archives stores all things America in economic history. It's a thrill just to meander. <http://www.archives.gov>
 National Association for Business Economists (NABE). Every **major corporation hires economists to explain** why in these times, there have always been times like these. These are your economic forecasters. <http://www.nabe.com>
 National Center for Health Statistics, often called **CDC**. All the US health and death stats you'll ever need. <http://www.cdc.gov>
 Need some facts? Try the **CIA's World Fact book**. <http://www.cia.gov/cia/publications/factbook/index.html>
 North Atlantic Treaty Organization (**NATO**)—good "military economics" source. <http://www.nato.int>
 Organization for Economic Cooperation and Development (**OECD**) has tons of data by nations. <http://www.oecdwash.org>
OPEC news seen through the eyes of the Organization of Petroleum Exporting Countries. <http://www.opec.com>
President of the United States lays out in grave detail, the US' current and next five year's **Budget of the United States Government**. <http://www.whitehouse.gov/news/usbudget/blueprint/budtoc.html>
 Resources for Economists. <http://www.econsources.com/index.asp>
 Securities and Exchange Commission (**SEC**). <http://www.sec.gov>
 Solid research topics and papers for Economists. <http://www.economicsearch.com>
 Source for **Asian** economic papers: *Far Eastern Economics*. <http://www.feer.com>
 Source of South East Asian economic topics, see the layout in the *Southeast Asian News*. <http://www.southeastasianews.net>
 Source for liberal (often anti-US out of Bogota, Colombia) Latin American economic work. <http://www.bogotabusiness.com>
 Texas topics of liberal economic interests are in the *Texas Observer*. <http://www.texasobserver.org>
Texas' Controller shows you where the money goes in Texas—great site! <http://www.window.state.tx.us>
 Texas's Railroad Commission site—all oil supply and drilling data for Texas is here. <http://www.rrc.state.tx.us>
United Nations. <http://www.un.org/>
 US Congress presents all its economic issues/votes/papers in the **Joint Economic Committee**. <http://www.house.gov/jec>
US Institute of Peace. Congressionally funded institute for conflict resolution using economics and diplomacy. www.usip.org
 Wall Street Journal's "*Opinion Journal*" has conservative topics detailed through their eyes. <http://www.opinionjournal.com>
War on Terrorism? If you can keep an open mind on global security and business agendas by combatants, a popular source for business-oriented issues of your current challenge to Peace does exist. <http://www.globalsecurity.org>
World Bank. <http://www.worldbank.org/>
World Trade Organization (WTO). This site has position papers on globalization and records every WTO trade decision on various nations disputes. <http://www.wto.org>
 Yale University has outstanding economic papers that are short, but brilliant. <http://www.yaleglobal.yale.edu/am/index.jsp>

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Gary Moon

