

PRINCIPLES OF MACROECONOMICS

ECON 204; Section 4
12-12:50 p.m. TR Clark A104

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Office Hours: M&F 10:00 -11:30 a.m.	Office Hours: 9:30-11:00 a.m. T&R
Recitations:	Recitations:
R19 4-4:50 M Clark C213	R20 4-4:50 M Clark C251
R21 5-5:50 M Clark C213	R22 5-5:50 M Clark C251
R23 1-1:50 F Plt Sci W215	R24 1-1:50 F Nat Res 108

COURSE DESCRIPTION

This course introduces students to the fundamental concepts of macroeconomics, the study of the aggregate economy, including: A) the basic problems, paradigms, and principles of economics; B) the functioning of the macro economy in the long run, economic growth, and policy; C) the functioning of the macro economy in the short run, economic recessions, and expansions; D) the effectiveness of macroeconomic stabilization policies, such as monetary and fiscal policy, to deal with issues of unemployment and inflation; and E) the international aspects of macroeconomics, including exchange rates and the balance of payments.

COURSE OBJECTIVES

By the end of the semester students will be able to:

- A) interpret the meaning and significance of important indicators of overall economic activity.
- B) use macroeconomic models of the economy to explain long-run and short-run fluctuations in the macro economy.
- C) use macroeconomic models to evaluate the ability of government monetary and fiscal policies to deal with contemporary policy issues, such as unemployment, inflation, trade imbalances, and shocks to aggregate economic activity.
- D) analyze how the macroeconomic problems of unemployment, inflation, trade imbalances, and aggregate economic shocks affect diverse groups in the national and international economy.

COURSE STRUCTURE AND POLICIES

Required Text

Frank and Bernanke. *Principles of Macroeconomics*. 4th edition, 2009,
ISBN: 978-0-07-336265-6 **OR**

Frank and Bernanke. *Principles of Macroeconomics*. Brief edition, 2009,
ISBN: 978-0-07-723182-8

Online versions of the textbook are available at www.coursesmart.com (at approximately half price.)

Lectures and Recitations

The class will meet as a single group two days a week and split into smaller recitation sections for one class period per week. New material will be introduced in both the lectures and the recitations. Students are responsible for the material covered in the lectures, the recitations and the material in the assigned chapters of the text. You will receive the greatest benefit if you read the chapter before class. *You are expected to print out the lecture notes in advance of each class.*

Problem Analysis Assignments

(120 possible points) Three problem sets (40 points each) will be posted on the Ramct site. Formulating written responses to the problems posed in these exercises will help to develop your skills in applying the concepts and models of macroeconomics as well as your writing and communication skills. Your responses for each assignment will normally take between 2 and 3 pages. You may work with other members of the class, but each student must submit his/her own assignment in his/her own words. **DO NOT COPY** a classmate's assignment. **PLAGIARISM WILL BE PUNISHED.**

You must submit *two* copies of your answers: 1/ an electronic version of your assignment to turnitin.com following the directions posted on RamCt and 2/ a paper version in class. ***Make sure your name and recitation number appear on the top page of the paper copy of your analysis.*** Make a copy of your analysis for your records and so that you can contribute to the class discussions after your analysis is turned in. Problem Sets are due according to the following schedule:

Problem Set #1	Thurs., Feb. 12
Problem Set #2	Thurs., Mar. 26
Problem Set #3	Thurs., Apr. 16

Problem sets turned in after the end of class on the due date will be penalized 10 points for each 24-hour period beyond the due date.

Midterms

(600 possible points) There will be three (3) in-class midterm exams consisting of 30

multiple choice questions each. Each midterm is worth 300 points. Only the best two midterm scores will count toward your grade. Midterms are scheduled as follows:

Midterm 1	Tues., Feb. 17
Midterm 2	Tues., Mar. 31
Midterm 3	Tues., Apr. 21

THERE WILL BE NO MAKEUP MIDTERMS! If you must unexpectedly miss a midterm, you must present written evidence of a medical or family emergency. If you know in advance that you will be unable to take a midterm, contact the professor as soon as possible to make other arrangements. In general, with an acceptable reason, you may be able to arrange to take an exam early, but **never** late.

Macroeconomic Analysis Report

(180 possible points) During the month of March, each member of the class will individually write a macroeconomic analysis of the U.S. economy. The objectives of this project are to: make you aware of the current state of the U.S. economy, learn how to find the most recent U.S. economic data, write a brief business report using standard written English, and formulate an evaluation of the U.S. economy based on the evidence you collect and your knowledge of macroeconomic measures and models. You will collect the most recent data becoming available during the month of March for the following data series: the level and growth rate of real GDP, rate of inflation, unemployment rate, interest rate on the 3-month Treasury bill, exchange rate between the U.S. dollar and the Euro, growth rate of the M2 money supply, federal government budget deficit/surplus, and U.S. trade deficit/surplus. You will prepare a 3-4 page double-spaced typewritten report that contains: a summary of the data, an analysis of the economic meaning of these data, and an evaluation of the overall state of macroeconomic activity. The instructor will make available a sample Macroeconomic Analysis Paper. You may organize your paper in a similar way, but you **MAY NOT PLAGIARIZE** the sample. More information about the requirements for the paper will be posted on RamCt.

You must submit *two* copies of your paper: 1/ an electronic version of your paper to turnitin.com following the directions posted on RamCt and 2/ a paper version in class. ***Make sure your name and recitation number appear on the top page of the paper copy of your paper.*** Papers are due in class on **Tuesday, April 7, 2009**. A penalty of 20 points per 24 hours beyond the due date will be assessed on all late papers.

Final Exam

(300 possible points) The final exam will be held on Monday, **May. 11, 2009** from **9:10-11:10 a.m.** You must be able to provide written evidence of any medical or family emergency which causes you to unexpectedly miss the final exam as scheduled. In general, with an acceptable reason, you may be able to arrange to take an exam early, but **never** late.

Grades

Your course grade will be determined by adding together the points earned as follows:

Assignment:	Points	Percentage
Midterm examinations	600	50%
Problem analysis assignments	120	10%
Macroeconomic analysis report	180	15%
Final examination	<u>300</u>	<u>25%</u>
TOTAL	1200	100%

Each student is responsible for retaining graded midterms, problem sets, extra credit coupon receipts, and macroeconomic analysis reports in order to verify points earned. The guaranteed maximum grading scale is:

A = 90% + :	1080+
B = 80 - 89% :	960-1079
C = 70 - 79% :	840-959
D = 60 - 69% :	720-839
F = below 60%:	below 720

Pluses and minuses will NOT be used. The professor reserves the right to lower the scale.

Appeals

You have one week after each midterm is first returned to turn in to the instructor a written appeal. Your appeal should state specifically for which questions you believe additional points should be awarded. The instructor reserves the right to regrade the entire exam, not just the questions under appeal.

Extra Credit

One extra credit assignment worth 35 points is posted on RamCt. This assignment must be turned in at recitations on Friday/Monday, **Jan. 30/Feb. 2, 2009**. No extra credit assignments will be accepted after 6:00 p.m. on Monday, Feb. 2, 2009.

Extra credit coupons valid for 1 point of extra credit may be distributed during lectures to deserving students who answer questions correctly or otherwise deserve credit at the discretion of the instructor.

Alternative Testing

If you require special accommodation during examinations, please contact the instructor at least one week before the scheduled examination in order to coordinate testing with Resources for Disabled Students. The student is responsible for obtaining the appropriate verification and paper work.

Academic Integrity

As per university policy, "Any student found responsible for having engaged in academic dishonesty will be subject to academic penalty and/or University disciplinary action." (*General Catalog 2008-2009*, p. 41). Any academic dishonesty in this course will result in a grade of "F"

for the course and will be reported to the Office of Conflict Resolution and Student Conduct Services.

Please be aware that the General Catalog specifically identifies the following examples of academic dishonesty: cheating in the classroom, plagiarism, unauthorized possession or disposition of academic materials, falsification, and facilitation of cases of academic dishonesty.

Cheating in the classroom is defined as follows:

"Cheating includes using unauthorized sources of information and providing or receiving unauthorized assistance on any form of academic work. Examples include copying the work of another student on an exam, problem set, or quiz; taking an exam or completing homework for another student; possessing unauthorized notes, study sheets, answer codes, programmed calculators, or other material during an exam or other graded paper results." (General Catalog 2008-2009, p. 41).

Plagiarism is defined as follows:

"Plagiarism includes the copying of language, structure, ideas, or thoughts of another, and representing them as one's own without proper acknowledgment. Examples include a submission of purchased research papers as one's own work; paraphrasing and/or quoting material without properly documenting the source." (General Catalog 2008-2009, p. 41).

EXPECTATIONS

I have the following expectations regarding your responsibilities and behavior in this class:

- (1) **I expect you to read the syllabus and to make yourself aware of all requirements and deadlines associated with this class.** "I didn't read the syllabus" is not an acceptable excuse for failing to meet any requirements or deadlines.
- (2) **I expect you to behave with respect toward the instructor, graduate teaching assistants, and other students in the class.** Talking or texting during class, reading newspapers or surfing the internet, sleeping, coming in late or leaving early are not acceptable forms of behavior and disturb the other people in the class. If you can not attend class in a respectful manner, then do not come to class!
- (3) **I expect you to devote adequate time and effort to learn macroeconomics.** The instructor can not learn for you. You should attend class, read the textbook, and "practice", if you wish to succeed in this course. You are not required to attend class, but it would be wise to do so. You should spend at least 6 hours each week outside of class learning macroeconomics, if you wish to succeed. "I have a job" is not a valid excuse for not putting in the time and effort required to be successful in this course.
- (4) **I expect you to ask for help, if you need it.** The instructor and graduate teaching assistants are available outside of class to help you, but you must initiate the contact. The sooner you seek help, the better!

Class Schedule

Tues. Jan. 20	Introduction	
Thurs. Jan. 22	Measuring GDP	Ch. 4
Fri./Mon. Jan. 23/26	Recitations - Pictures/Preview Quiz	
Tues. Jan. 27	Real/Nominal GDP	Ch. 4
Thurs. Jan. 29	Measuring Prices	Ch. 5
Fri./Mon. Jan. 30/Feb. 2	Recitations	
	Extra Credit due	
Tues. Feb. 3	Deflating/Indexing	Ch. 5
Thurs. Feb. 5	Inflation	Ch. 5
Fri./Mon. Feb. 6/9	Recitations	
Tues. Feb. 10	Employment	Ch. 6
Thurs. Feb. 12	Unemployment	Ch. 6
	Problem Analysis #1 due	
Fri./Mon. Feb. 13/16	Recitations - Test Review	
Tues. Feb. 17	MIDTERM 1 (Chapters 4-6)	
Thurs. Feb. 19	Macroeconomic Analysis Report Information	
Fri./Mon. Feb. 20/23	Recitations	
Tues. Feb. 24	Average labor productivity	Ch. 7
Thurs. Feb. 26	Growth	Ch. 7
Fri./Mon. Feb. 27/Mar. 2	Recitations	
Tues. Mar. 3	Saving	Ch. 8
Thurs. Mar. 5	Investment	Ch. 8
Fri./Mon. Mar. 6/9	Recitations	
Tues. Mar. 10	Financial Markets	Ch. 9
Thurs. Mar. 12	Money	Ch. 9
Fri./Mon. Mar. 13/23	NO RECITATIONS - Spring Break	
Tues. Mar. 24	Banks	Ch. 9
Thurs. Mar. 26	Money and Prices	Ch. 9
	Problem Analysis #2 due	
Fri./Mon. Mar. 27/30	Recitations - Test Review	
Tues. Mar. 31	MIDTERM 2 (Chapters 7-9)	
Thurs. Apr. 2	Overview of Short-Run Fluctuations	Ch. 10
Fri./Mon. Apr. 3/6	Recitations -	

Tues. Apr. 7	Aggregate Expenditures	Ch. 11
Thurs. Apr. 9	Macroeconomic Analysis Report Due	
Fri./Mon. Apr. 10/13	Fiscal Policy Recitations	Ch. 11
Tues. Apr. 14	Federal Reserve	Ch. 12
Thurs. Apr. 16	Monetary Policy	Ch. 12
	Problem Analysis Assignment #3 Due	
Fri./Mon. Apr. 17/20	Recitations - Exam Review	
Tues. Apr. 21	MIDTERM 3 (Chapters 10-12)	
Thurs. Apr. 23	Aggregate Demand	Ch. 13
Fri./Mon. Apr. 24/27	Recitations	
Tues. Apr. 28	Aggregate Supply	Ch. 13
Tues. Apr. 30	Flexible Exchange Rates	Ch. 15
Fri./Mon. May 1/4	Recitations-	
Tues. May 5	Fixed Exchange Rates	Ch. 15
Thurs. May 7	Review	
Mon. May 11	FINAL EXAM (Ch. 4-13, 15) 9:10-11:10 a.m. Clark A 104	