

SYLLABUS
ECON 131
INTRODUCTION TO MACROECONOMICS
FALL 2004

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Required Texts: Principles of Macroeconomics (7th Edition) by Karl E. Case and Ray C. Fair and **Principles of Macroeconomics Study Guide** by Thomas Beveridge. They are sold as a package at the bookstore.

Course Description: Economics is the study of how individuals and societies choose to use scarce resources to satisfy unlimited human wants. In Macroeconomics, we study how the overall economy works. Students will be introduced to economic models that are designed to explain certain macroeconomic phenomena and problems such as growth, output, unemployment, and inflation. In addition, we will analyze certain aspects of the financial system. We will also analyze the strengths and weaknesses of the different government policies in influencing the overall economy. Mathematical skills beyond simple algebra (including solving simple linear systems of equations) and graphical analysis are not required in this course. This course meets the diversification requirement (DS) of Gen Ed requirements for social sciences.

Objectives: By the end of the semester, students are expected to learn the following: **1)** the language and terminology of Macroeconomics, **2)** the basic methodology and models of Macroeconomics and the application of these models, and **3)** problem-solving skills. For economics majors, this course will lay the foundation for continuation in advanced economic analysis. For majors and non-majors alike, this course will give you problem-solving and analytical skills that should prove useful in various aspects of the everyday decision-making process and the ability to form informed opinions about macroeconomic policies used by the government.

Exams and Grading Policy: There will be **9 quizzes, two midterms, and a final exam** for this course. Your final grade will be calculated in the following manner:

Quizzes: Nine unannounced quizzes will be given in class during the semester. Each quiz will be about 5-10 minutes in length and will be short multiple choice questions. The top five scores will be taken and will count for 20% of your grade. These quizzes are designed to reward those who regularly attend class and do their work. **Therefore, no make-up quiz will be given under any circumstance.** Any missed quiz will be given a grade of zero. Plan accordingly.

Midterms and Final: Since I do not want to penalize you for doing badly on any one midterm, I will calculate your exam grade using two different ways and take the better grade of the two. **Method One:** Both midterms will count for 25% of your final grade and the final will count for 30% of your final grade. **Method Two:** The better of the two midterms will count for 35% of your grade and the final will count for 45%. I will take whichever of the two that will give you a higher grade as your final grade. The following grades are possible for this course: A, A-, B+, B, B-, C+, C, C-, D and F.

Homework: Homework will be given out in class on Fridays and will be due the following Friday. They will not count for your final grade. They are meant as a guideline on how well you understand the material presented in class and in the textbook. Therefore, while not doing your homework will not penalize you directly, it has been my experience that students who make a conscientious effort to do all the assigned work do better on exams.

Rules and Regulations: Make-up Exams: As stated before, **no make-up quiz will be given for any reason.** Please note ahead the scheduled dates of the midterms and the final and make sure you can attend the exams. Unless you have a very good reason for missing the exams, no make-up exam will be given (If you miss one midterm and have no good reason for missing it, you will be given a grade of zero for that midterm, and method two will be used to calculate your final grade). The only acceptable reason for missing an exam is your own illness or other family emergencies. If this applies, please make a **xeroxed** copy of the "Report of Absence from Exam" form attached at the end of this syllabus and fill it in and return it to me. You must also have a signed excuse from your physician in case of illness stating the nature of your illness (a statement saying that you weren't feeling too well is NOT enough). Your petition will be considered and I will get back to you. If I accept your petition, a make-up exam will be administered. Please note that the make-up exam may be entirely different from the original exam.

NOTE: "I /my parents/relatives bought a plane ticket before the date of the final is NOT a valid excuse" unless you bought the ticket before you registered for this class. You know the date of the final so don't buy the ticket for plane that flies out before the final!!

Please bring **pencils, erasers and a calculator** to the exam, as we will be using a scantron sheet for parts of the exam. The machine will only read pencils, no pens! **Failure to follow procedures will result in a penalty on your grade, so please listen to all instructions.**

Attendance: While attendance is not mandatory, your grades will suffer if you miss the quizzes. Some topics not covered in the textbook will be introduced in lectures and you will be held responsible for them on exams. Moreover, experience tells me that students who miss class do not perform well on exams. Lastly, students are responsible for being aware of any and all announcements that are made in class.

Academic Honesty: Simply put, cheating will not be tolerated. Any student caught cheating on any quiz, midterm or final will be given a grade of zero for that exam, and will be reported to the University for any other disciplinary action.

Disability: If you need special consideration(s) due to some disability, please see me as soon as possible (but no later than two weeks before the exam) to make any necessary arrangement to accommodate you.

Some Suggestions: Please try to do all your readings as scheduled. I understand that this is not always possible for a variety of reasons, but falling too far behind in the readings is not a very good practice. In this class, each new section will build upon the concepts learned in the earlier sections, and you will not be able to understand the current lectures unless you understood the previous lectures.

You must take notes in class to succeed in this class. You are also encouraged to form study groups to go over the lectures, homeworks, notes, etc. The only time you are not allowed to cooperate is on exams and quizzes. Otherwise, you should try to exchange ideas with your fellow students.

I am open to suggestions. If you have any complaint about the way the lectures are organized, please let me know. While it may not be possible to incorporate all suggestions, I will do my best to accommodate your suggestions.

Participation in class is always encouraged. If you have questions or you do not agree with me on certain points, feel free to speak up. In terms of asking questions, keep in mind that there is no such thing as a stupid question. It is far more stupid not to ask a question and be confused, especially during an exam, since I won't answer most questions during exams! If you are unsure about something, ask me to clarify—chances are, other students feel the same way and will benefit from your questions, too. If you still feel that you don't want to speak up, by all means ask the question after class. I can't read minds so you must take the initiative to let me know when you are confused. Remember, even if your question isn't the smartest one ever asked, at least you will know the right answer by asking the question. If you don't ask the question and take the doubt with you at exam time, that could hurt you. And, by all means, make use of the office hours that we have posted. You are paying for this class, and you should therefore make use of all available help. Under no circumstance should you stay confused. As I have stated before, each concept in this class builds on the previous concepts, so if you are confused, it won't get better later on unless you resolve your problems as soon as possible.

Disability: If you have a disability and need special consideration, please contact me to discuss your needs.

SCHEDULE

When the assigned chapter number is followed with an "A", the appendix of that chapter is part of the required reading (e.g., "1A" means that you must also read the appendix to chapter one).

<u>WEEK</u>	<u>TOPIC</u>	<u>TEXTBOOK</u>
Aug. 23	Introduction to Economics	Ch. 1, 1A, 2, 3,4
Aug. 30	Introduction to Macroeconomics	Ch. 5
Sept. 6	Measuring National Output and National Income (No class on Monday)	Ch. 6
Sept. 13	Macro Problems: Unemployment and Inflation	Ch. 7
Sept. 20	Aggregate Expenditure and Equilibrium Output	Ch. 8, 8A
Sept. 27	Catch-up, Review and Summary FIRST MIDTERM: FRI. Oct. 1st	
Oct. 4	The Government and Fiscal Policy	Ch. 9, 9A-A, 9A-B
Oct. 11	The Money Supply and the Federal Reserve System	Ch. 10
Oct. 18	Money Demand, the Equilibrium Interest Rate and Monetary Policy	Ch. 11
Oct. 25	Money, the Interest Rate and National Income	Ch. 12
Nov. 1	Catch-up, Review and Summary SECOND MIDTERM: Fri. Nov. 5th	
Nov. 8	Aggregate Demand, Aggregate Supply and Inflation	Ch. 13
Nov. 15	The Labor Market, Unemployment and Inflation	Ch. 14
Nov. 22	Debates in Macroeconomics (No class on Friday)	Ch. 18
Nov. 29	Open Economy Macro-BOP and Exchange Rates	Ch. 20
Dec. 6	Catch-up, Review and Summary FINAL EXAM: FRI. Dec. 17th 9:45-11:45 am	

