

ECO202: PRINCIPLES OF MACROECONOMICS

Spring 2009

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Required textbook: *Principles of Macroeconomics*, 8th edition, by Michael Parkin (Pearson Addison-Wesley Press), 2008.

Workbook: Myeconlab. (This is an access code to a website that is purchased with your text, or may be purchased online at www.coursecompass.com. It will include an online study guide, practice tests, etc.)

XR Clicker: Available at any of the 3 Oxford bookstores. (This electronic device is used to respond to answers in class and to receive participation points.)

Course Description: The first objective of the course is to provide the student with an understanding of several measures of macroeconomic performance. The course will then develop a model of the macroeconomy that will be used to understand how various “shocks” can affect the economy and lead to a “business cycle”. The model will make it possible to predict how various shocks to the economy will affect several key macroeconomic variables (e.g. interest rates, the unemployment and inflation rates, Gross Domestic Product, wages). The course will also examine the many controversies surrounding the ability of the federal government or monetary authorities to smooth out the business cycle. The arguments will be put in the context of what is currently transpiring in the U.S. economy currently. The student will learn that the efficacy of fiscal and monetary policy will turn crucially upon the validity of several assumptions that are made in the macroeconomic model. In addition to the concerns regarding the business cycle, the course will examine the determinants of long term economic growth, and the ability of government to influence growth with tax and spending policies. Attention will also be given to the impact of the macro-economy on financial markets (e.g. the stock and bond market) and the determinants of trade flows and exchange rates. Macroeconomic theories will also be used to improve the understanding for different points of view on the desirability of various tax or spending programs.

Liberal Education Goals. Eco 202 is a Liberal Education Foundation Course and a root course in economic thematic sequences. The study of macroeconomics is concerned with the factors that influence fluctuations in aggregate economic variables such as total output, the average level of prices and interest rates, and the level of employment. The course is organized around three topics: 1) the measurement of macroeconomic variables 2) the development of theory that sheds light on the relationships among the macro variables, and 3) the ability and desirability of government to affect macro variables through policy. In much of the course, you will discover that there are controversies surrounding many of the key questions in macroeconomics. You

will learn to be critical in your thinking about what others claim about the ability to control how the economy performs or how a particular policy will affect economic performance.

Understanding empirical measures of prices, output, employment, and other macroeconomic variables requires a critical analysis of the measures and their potential shortcomings. Once students understand how macroeconomic variables are measured, they will learn a model of the macro-economy. The model provides a framework to think critically about the cause and effect of variations in macroeconomic variables. The model's credibility is critically assessed in by its ability to explain the fundamental facts of the macroeconomy. A clear understanding of the model permits us to analyze the effects of economic shocks as well as monetary and fiscal policy. Understanding the context of a policy action is critical to the assessment of both the effects and the desirability of the policy. An appreciation of the differences in the perception of the underlying structure of the economy is essential to understanding disagreement and controversy over macroeconomic policy, and to reflecting on appropriate policy action.

COURSE GUIDELINES

Grades. Your course grade will be based upon 2 midterms, quizzes, and a cumulative final exam. The weights on each are listed below. **If you do better on the final exam than on your worst midterm (in percentage terms), the final exam score will replace the lowest midterm score.**

Myeconlab (with lowest two scores dropped)	10%
Quizzes (with lowest two quiz scores dropped)	10%
First midterm	25%
Second midterm	25%
Final exam	30%

Myeconlab assignments will be given for nearly every chapter. Your overall Myeconlab score will be based upon an average of the percentage scores for each assignment. You must purchase an access code with your textbook, or you may purchase access online with a credit card at www.coursecompass.com. When you register, please note the following:

1. If you purchase Myeconlab on-line with a credit card, the \$40 version does not include an e-book; the \$70 version does. If you're willing to rely upon an e-book, you need not purchase the textbook.
 2. The course-id required to link with my course is **even64793**.
 3. **When you register, be sure to use your Miami email address (i.e. uniqueid@muohio.edu) and the formal name that Miami has on record for you.** This is so that I can identify you and merge data across blackboard and myeconlab.
 4. Use the installation wizard available on the web site to install the various plug-ins that are required to make the site work. MyEconlab will include a study guide, practice tests, homework, an online text, and course announcements. As the semester progresses, I will assign work from various components of MyEconlab.
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Quizzes will be given on a regular basis and will frequently be administered online. A failure to complete the quiz by the announced deadline will result in a zero on the quiz. Students will be made aware of an upcoming quiz via email and/or a blackboard announcement at least 24 hours in advance. Your overall quiz score will be based on an average of the percentage scores for all the quizzes after dropping the two lowest scores.

•XR Clicker. Everyone must purchase a turning point clicker. Information on how to register the clicker for my course is available on the blackboard website. To receive credit for participation (see below), your clicker must be registered through the blackboard website and must be operational during class. If you do not have your clicker in class (or if the batteries are dead), you cannot receive participation credit. I recommend that you carry spare batteries for your clicker. **If you give another student your clicker to submit answers for you, or if you submit answers for someone by using someone else's clicker, you will be guilty of academic misconduct.**

•Participation Bonus: Throughout the semester, we will use turning point software to test your understanding of the class material during the lectures. Each day that the participation is scored, you may score some "bonus points". If you score above 70% on a given day, you receive a participation point. If you score below 70% but above 40%, you will receive a half-point. If you score below 40%, you will not receive a bonus point. Obviously, if you miss class for any reason, forget your clicker, or have an inoperable clicker (carry spare batteries!), you will not receive a bonus point. At the end of the semester, I will calculate the percentage of possible participation points received. Based on your overall performance score, I will add points to your overall total (described in the grades section) as follows:

90% and above:	3 points
80-89.99	: 2 points
70-79.99	: 1 point
Below 70	: 0 points

These participation bonus points will be added to your overall grade score before determining the grade you receive in the course. For example, if you had an average of 79% based upon the exams, quizzes and homeworks and also earned more than 90% of the possible participation points, your course grade would be based upon an overall score of 82 percent (a B-).

Make-Up Exams or Quizzes. There are 2 midterms during the semester. The dates listed with the schedule of topics are subject to change. You are responsible for any changes in the schedule announced in class or via email. In the case of a missed exam, the final exam score will replace your missed midterm score. In the event that you miss a quiz for any reason, it will be dropped as one of your two lowest quiz scores. Regardless of the reason for missing a quiz or exam, no make-up will be given. In the event that you anticipate a conflict associated with a university sponsored event in advance of the exam, contact me at least two classes prior to the scheduled exam date to discuss the possibility of arranging an alternative time to take the exam.

Grade appeals: If you believe that your exam, quiz or Myeconlab problem set was misgraded, you may submit a written appeal no later than 2 classes after the relevant grade was made available. Attach a written explanation of the appeal to the relevant exam or quiz. I will respond to your appeal via email. If there is still a disagreement, we can meet during my office hours.

Office Hours. My office hours are listed at the top of the syllabus. You are encouraged to visit me during those hours for clarification of lecture notes, the text, assistance with homework, or advice on study habits. When you visit, come during my posted office hours or speak to me after class to schedule an appointment. Please prepare for your visit -- organize your questions and review the relevant lecture notes and readings. Be forewarned .. office hours may be very busy immediately before an exam. It is best not to wait to the last minute to ask questions.

Supplementary Instruction: SI study sessions are regularly scheduled, out-of-class, review sessions where students compare notes and discuss readings. Students learn how to integrate course content and reasoning skills in sessions led by SI Leaders. The SI Leaders are Alex Bluebond and Nyssa Kim. A meeting time and place will be chosen for SI sessions as soon as possible

Blackboard. I will use blackboard to make announcements, post grades, and administer online quizzes. Links will be provided to my Eco202 page from blackboard or you may connect directly to www.sba.muohio.edu/evenwe This web page will include a listing of assigned readings, homework, supplementary readings, and handouts. All students are expected to access the web site for these materials.

E-mail: Throughout the semester, I will send you email with course announcements to your Miami email address. If you regularly use another address, register it with Miami so that email is forwarded. I assume that you read your email daily. With nearly 200 students in the Macro Principles class, I ask that you be judicious in your use of email. Please do not send email to ask questions about course material (e.g. clarification of lecture notes, homework problems, etc.). These questions should be asked during SI sessions or my office hours. Second, please do not send email asking questions that are already addressed in the syllabus, posted on the web, or announced in class (e.g. exam dates, office hours, grade policies). Finally, be aware that the university has a spam filter that may screen out email sent from third-party email providers (e.g. yahoo, hotmail). It's best to send me email from your Miami account.

SCHEDULE

All dates are subject to change. Students are responsible for keeping informed of announced changes in the schedule.

Tuesday	1/13	Introduction
Thursday	1/15	Ch. 4: A first look at macroeconomics
Tuesday	1/20	
Thursday	1/22	Ch.5: Measuring GDP and economic growth
Tuesday	1/27	
Thursday	1/29	Ch. 6: Monitoring jobs and the price level
Tuesday	2/3	
Thursday	2/5	Ch. 7: At full employment: The classical model
Tuesday	2/10	
Thursday	2/12	
Tuesday	2/17	First midterm exam (Tentative date)
Thursday	2/19	Ch. 9: Money, the Price Level and Inflation
Tuesday	2/24	
Thursday	2/26	Financial Markets: Stocks and Bonds.
Tuesday	3/3	Ch.10: The Exchange Rate and the Balance of Payments.
Thursday	3/5	
	3/7-15	Spring Break
Tuesday	3/17	Ch. 11: Aggregate Supply and Aggregate Demand
Thursday	3/19	
Tuesday	3/24	
Thursday	3/26	Ch. 13: U.S. Inflation, Unemployment and Business Cycles
Tuesday	3/31	
Thursday	4/2	
Tuesday	4/7	Second midterm exam (Tentative date)
Thursday	4/9	Ch. 14: Fiscal Policy
Tuesday	4/14	
Thursday	4/16	
Tuesday	4/21	Ch. 15: Monetary Policy
Thursday	4/23	
Tuesday	4/28	Special topics
Thursday	4/30	Special topics
Tuesday	5/5	ECO202 Final exam 9:45 a.m. Location to be announced.