

PRINCIPLES OF MACROECONOMICS

ECON 2020 – Fall 2016

University of Colorado, Boulder

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Office hours: Thursday 4:00pm-6:00pm, Department of Economics, 04C

1 SUBJECT DESCRIPTION

Macroeconomics is concerned with the behavior of the economy as a whole: understanding it, is a necessary condition for households, firms, and policymakers to make more informed decisions.

This course is a first step in this direction: during the semester, you will be introduced to the main building blocks of the modern macroeconomic theory. By the end of the course you will learn how to think as a macroeconomist: how to isolate the main forces behind market outcomes, how to measure them, how to assess the impact of monetary/fiscal policies and changes in the economic environment on macroeconomic aggregates in the short and long run. In the process you will learn how to boil down complex macroeconomic problems to their essential features, making use of a powerful tool: assumptions.

This syllabus will cover the organizational details of the course. Any relevant information not specified here, will be given in class at the due time.

2 PREREQUISITES

A passing grade (C-) in Principle of Microeconomics (ECON 2010) is required.

3 LOGISTICS AND IMPORTANT DATES

We meet twice a week on Tuesdays and Thursdays from 2:00pm to 3:15pm in room MATH 100. I will hold office hours on Thursdays from 4:00pm to 6:00pm. If this time is not convenient for you - due to some scheduling conflict – I will be happy to set up an appointment (subject to time availability). Starting from the second week of classes, you will meet once a week in the recitation sessions with your TAs. Please check your enrollment records to establish the day and time of your session. In these sessions, you will deepen your understanding of the material covered in class. Your TAs will go through homework, theory and exercises and will help you to prepare the tests. Important: both lectures and recitations are mandatory!

Your final grade is determined as a weighted average among in-class clickers questions, 6 Homework, 2 Quizzes (take-home online), 2 Midterms and a Final (in-class exams).

Please take a minute to sign these important dates on your calendar:

- **Quiz 1:** Sunday, 18th of September, 2016 (before 11:59pm)
- **Midterm 1:** Tuesday, 27th of September, 2016
- **Midterm 2:** Thursday, 27th of October, 2016
- **Quiz 2:** Sunday, 4th of December, 2016 (before 11:59pm)
- **Final Exam:** Wednesday, 14th of December, 2016, 1:30pm-4:00pm

If you have two or more final exams on the same day of our final exam OR an another final exam at the same time, you might want to talk with me about that. Remember that the 28th of October is the last day we have to make arrangement and fix the problem. For other important dates please visit http://www.colorado.edu/registrar/sites/default/files/attached-files/2016-17acad_calendar.pdf/.

To help you visualize the chronological structure of the course, I prepared a chronogram in excel (Chronogram.exe). You will find by week all the material covered in class, recitations with due dates.

4 **CONTENT**

Sessions 1 - 3: INTRODUCTION (PART 1)

Course Presentation / Chapter 1: Ten Principles of Economics / Chapter 2: Thinking Like an Economist / Chapter 3: Interdependence and the Gains from Trade /

Sessions 4: MARKETS AND WELFARE (PART 3)

Chapter 9: Application: International Trade

Sessions 5 – 7: THE DATA AND THE MACROECONOMICS (PART 4)

Chapter 10: Measuring a Nation's Income / Chapter 11: Measuring the Cost of Living

Sessions 8 – 10: THE REAL ECONOMY IN THE LONG RUN (PART 5)

Chapter 12: Production and Growth / Chapter 13: Saving, Investment, and the Financial System

SESSION 11 - FIRST MIDTERM EXAM

Sessions 12 – 14: THE REAL ECONOMY IN THE LONG RUN (PART 5)

Chapter 13: Saving, Investment, and the Financial System / Chapter 15: Unemployment

Sessions 15 – 18: MONEY AND PRICES IN THE LONG RUN (PART 6)

Chapter 16: The Monetary System / Chapter 17: Money Growth and Inflation

Sessions 19: THE MACROECONOMICS OF OPEN ECONOMIES (PART 7)

Chapter 18: Open-Economy Macroeconomics: Basic Concepts

SESSION 20 - SECOND MIDTERM EXAM

Sessions 21 – 23: THE MACROECONOMICS OF OPEN ECONOMIES (PART 7)

Chapter 19: A Macroeconomic Theory of the Open Economy

Sessions 24 – 28: SHORT-RUN ECONOMIC FLUCTUATIONS (PART 8)

Chapter 20: Aggregate Demand and Aggregate Supply / Chapter 21: The Influence of Monetary and Fiscal Policy on Aggregate Demand / Chapter 22: The Short-Run Trade-off between Inflation and Unemployment

Session 29 – 30: FINAL THOUGHTS (PART 9)

Chapter 23: Six Debates over Macroeconomic Policy / Review for the Final

SESSION 31 – FINAL EXAM

Please refer to the Chronogram for a direct mapping between sessions and dates.

5 TEXTBOOK, WEB RESOURCES, AND CLICKER

The main textbook for this course is

Gregory Mankiw, Principles of Macroeconomics, 7th Edition, International Edition Worth Palgrave Macmillan, ISBN-13: 978-1-4292-3812-0

We supplement the textbook with Desire2Learn, a web-platform for lecture material, practice and graded assignments, learning tools, etc. Most of the online material customized for our class is powered by a portal called MindTap. When you purchase the electronic or loose-leaf printed version of the textbook, the access to the MindTap portal through D2L should already be included. For any inquiries regarding MindTap you can email Nichole Smith nicole.smith@cengage.com.

In conclusion, we will make use of clickers to review examples and to solve problems. You can purchase your *i>clicker* + at the CU Bookstore or online (if you do not have one yet). Please do not forget to register your clicker at <https://cuconnect.colorado.edu/uPortal/index.jsp>.

5.1 SUPPLEMENTARY MATERIAL

5.1.1 BOOKS

Paul Krugman, Macroeconomics, 4th Edition, Wells

5.1.2 EXTERNAL LINKS

- Econ Talk: <http://www.econtalk.org>
- GapMinder: <https://www.gapminder.org>
- FRED: <https://fred.stlouisfed.org>
- Data 360: <http://www.data360.org/index.aspx>
- NBER: <http://www.nber.org/links/data.html>

6 EVALUATION SYSTEM

Your final grade will be determined as follows:

A.	Clickers	5%
B.	Homework (6)	15%
C.	Quizzes (2)	20%
D.	Midterm Exams (2)	30%
E.	Final Exam	30%
TOTAL		100%

- 6.1 **CLICKERS:** The in-class graded clicker sessions will count as follows: 2 points for a correct answer, 1 point for an incorrect answer, 0 for no answer.
- 6.2 **HOMEWORK:** are 6 problem sets designed to reinforce your understanding of the material covered in class. You are encouraged to solve the problem sets in group, but you must submit them individually. For the sake of the final grade, I will drop the lowest of the scores. Homework should be submitted online before 11:59pm on the due date. While any date prior to the due date is acceptable, any late submission will result in 0 points.
- 6.3 **QUIZZES:** are 2 short take-home exams – up to 10 multiple choice questions - that test the understanding of specific units of the material covered in class. Quizzes must be solved individually. Quizzes should be submitted online before 11:59pm on the due date. Any late submission will result in 0 points.
- 6.4 **MIDTERMS:** are in-class multiple choice questions exams that cover all the material taught in class up to that point in time (unless differently specified in class).
- 6.5 **FINAL EXAM:** is an in-class multiple choice question exam that will cover all the material taught in class (theory and recitations).

No makeup exams will be given. The only exceptions are covered by campus guidelines on absences due to religious observance (see below). If you fail to show up for an exam without an acceptable excuse (such as an illness that can be documented with a medical note or you have been given permission by me to take a make-up exam), you will get a zero for that exam.

Students who have three or more final exams on the same day are entitled to reschedule all exams after the first two. The deadline for making these arrangements is the **28th of October**.

The final score will be rounded up to the next integer. Final scores might be subject to normalization at discretion of the instructor.

7 COURSE POLICIES

7.1 Email policy.

- 7.1.1 I will not reply to questions that have been addressed in the syllabus (or I will reply by referring back to the syllabus).
- 7.1.2 I will not reply to inquiries regarding the use of the MindTap portal. For any questions, please refer to Nichole Smith at nicole.smith@cengage.com.
- 7.1.3 In compliance with Federal Rights and Privacy Act (FERPA) of 1974, the TAs and I will

never reply via email to inquiries regarding performance on assignments or grades. See <http://www.colorado.edu/registrar/students/records/ferpa> for more information.

Students can access their grades via their D2L account. Please, feel you free to pass by my office during office hours (or by appointment) if you have any questions.

- 7.2 **Electronic Devices.** Cell phones must be turned off. Any sort of use of cell phones in class will not be tolerated and anyone violating such rule will be asked to leave the lecture theater. Students are allowed to use laptops/tablets for course-related purpose during lectures. Students who uses laptops/tables for any other purpose impose negative externalities on others and therefore will be asked to leave the lecture theater.

8 UNIVERSITY POLICIES

- 8.1 **Disability Accommodations.** If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services in a timely manner, so that your needs may be addressed. For exam accommodations, provide your letter **at least one week prior to the exam**. Contact Disability Services at 303-492-8671 or by e-mail at dsinfo@colorado.edu. If you have a temporary medical condition or injury, see [Temporary Injuries](#) guidelines under the Quick Links at the [Disability Services website](#) and discuss your needs with me. The syllabus statements and answers to Frequently Asked Questions can be found at <http://www.colorado.edu/disabilityservices>.

- 8.2 **Religious Observance.** In compliance with the campus policy regarding religious observances, I will make every effort to reasonably and fairly accommodate all students who, because of religious obligations, have conflicts with scheduled examinations, assignments or required attendance.

So, If you cannot attend an assignment/examination because of religious obligations, notify me by email **at least two weeks in advance** so that an alternative exam time may be set.

See full details at <http://www.colorado.edu/policies/observance-religious-holidays-and-absences-classes-andor-exams>

- 8.3 **Harassment Policy.** The <http://www.colorado.edu/policies/discrimination-and-harassment-policy-and-procedures> applies to all students, staff and faculty. Any student, staff member or faculty member who believes (s)he has been the subject of discrimination or harassment based on race, color, national origin, sex, pregnancy, age, disability, creed, religion, sexual orientation, gender identity, gender expression, veteran status, political affiliation, or political philosophy, should contact the Office of Discrimination and Harassment (ODH) at (303) 492-2127 or the Office of Judicial Affairs at (303) 492-5550.

- 8.4 **Classroom Behavior.** Students and faculty each have responsibility for maintaining an appropriate learning environment. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, color, culture, religion, creed, politics, veteran's status, sexual orientation, gender, gender identity and gender expression, age, disability, and nationalities. I will gladly honor your request to be addressed by a name other than your legal name on the class roster, or by an alternative gender pronoun. Please advise me of this preference early in the semester. Students who fail to adhere to behavioral standards may be subject to discipline. Individuals who believe they have been discriminated against on the basis of race, color, national origin, sex, age, disability, creed, religion, sexual orientation, or veteran status at the University of Colorado should contact the Office of Institutional Equity and Compliance (OIEC) at (303) 492-2127. University policies regarding classroom behavior

are available at <http://www.colorado.edu/policies/student-classroom-and-course-related-behavior> and <http://www.colorado.edu/institutionalequity/>.

8.5 **Academic Integrity.** All students of the University of Colorado at Boulder are responsible for knowing and adhering to this institution's policy regarding academic integrity. Violations of the policy may include: plagiarism, cheating, fabrication, lying, bribery, threat, unauthorized access, clicker fraud, resubmission, and aiding academic dishonesty (see <http://www.colorado.edu/policies/academic-integrity-policy> for more information).

All incidents of academic misconduct will be reported to the Honor Code Council (honor@colorado.edu; 303-735-2273). Students who are found responsible for violating the academic integrity policy will be subject to nonacademic sanctions from the Honor Code Council - including but not limited to university probation, suspension, or expulsion - as well as academic sanctions from the faculty member - a student engaged in any act of academic dishonesty will receive a failing grade for the course.

For additional information regarding the University Honor Code please visit the link <http://www.colorado.edu/policies/student-honor-code-policy> and <http://honorcode.colorado.edu>.