

# Principles of Macroeconomics

Mark Valkovci  
mark.valkovci@colorado.edu  
website: Desire2Learn

Office Hours  
M, W: 2-3 pm. F: 11am-1245pm  
ECON 307

Lecture: MWF 1:00-1:50pm RAMY C250

Prerequisites:

Principles of Microeconomics – ECON 2010

Students should also feel comfortable with algebraic concepts including fractions, graphing, and solving basic linear equations. If you have difficulty with these concepts, please come see me in my office hours.

Required Materials:

N. Gregory Mankiw. *Macroeconomics 8<sup>th</sup> edition*. Cengage Learning

This course is built around this textbook. Either physical or electronic versions of the textbook will work fine. You are also required to have a “clicker” for the course to answer in-class questions. Clickers can be purchased at the Bookstore, and can be used for other courses that require them during the rest of your studies.

Recitations:

Recitations are designed to reinforce the economics concepts and methods we discuss in lecture. Recitations are led by the teaching assistants for this course. You should already be signed up for a recitation section.

TA	Time	Day	Room
Ericson	12:00-12:50	M	STAD 135
Ericson	4:00-4:50	M	HLMS 185
Ericson	8:00-8:50	W	HLMS 191
Ericson	4:00-4:50	W	HLMS 185
Park	2:00-2:50	M	ECON 2
Park	3:00-3:50	W	MUEN E123
Park	12:00-12:50	F	ATLS 1B31

sean.ericson@colorado.edu  
semi.park@colorado.edu

Exams:

Midterm exams will be held in class during lecture time. There will be three midterm exams and one cumulative final exam. Your lowest midterm grade will be dropped and your two highest midterm grades will each be worth 20% of your final grade. The final exam will be worth 30% of your grade and cannot be dropped. Anyone who has three or more final exams on the same day in which my final exam is your latest exam of the day please notify me before March 24<sup>th</sup> to schedule an alternative time for the exam. *There will be no make up exams.*

Midterm 1: February 22<sup>nd</sup>

Midterm 2: April 5th

Midterm 3: May 3<sup>rd</sup>

Grading:

Your final grade in this course will be determined as follows:

Item	Percent of Final Grade
Lecture Attendance	8%
Recitation Grade	14%
Homework	8%
Highest Midterm Grade	20%
2 <sup>nd</sup> Highest Midterm Grade	20%
Final Exam Grade	30%

I will assign you a letter grade which will include +/- . I will strictly adhere to the assignment of your letter grade based on your percentage grade in the class. This means I will not individually curve your letter grade to “bump” it up a letter grade. (e.g. an 89.9% will be a B+ and I will not move it up to an A -) Please speak to me if you have concerns about your grade at any point in the semester.

Cheating will not be tolerated in this course. This includes cheating on an exam, in recitation, or by using another student’s clicker during the lecture. If you are caught cheating I will assign you a 0% in the course. I will then meet with the Associate Chair of the Undergraduate Studies for the Economics Department, and we will report this to both the University and the Honor Council which could result in further discipline up to and including expulsion from the University.

Homework:

I will post homework assignments on D2L (desire2learn) throughout the semester. You will enter your homework answers on D2L. These assignments will be designed to provide you with a guideline for what type of material I am going to include on exams. You are expected to complete these assignments on time in order to receive points. Any technical difficulties in entering your answers to homework assignments must be reported to prior to the deadline in order for me to consider providing you with additional time.

Email & Office Hours:

Contact me via email or by stopping by my office hours. Since there are many students in this class, please allow me 24 to respond to emails. I will typically only respond to emails during business hours. Additionally, if I feel that the answer to your email can be found on this syllabus, I will simply email you back “Syllabus.” Please do not be offended and try not to send these kinds of emails. Lastly, please start a new email when asking me a question rather than replying to a class-wide email.

**I am not allowed, by law, to discuss grades with you or anyone else via email.**

## Tentative Schedule:

- Week 1: 1/18-1/20
  - Syllabus
  - Microeconomics Review
    - Ten principles
- Week 2: 1/23-1/27
  - Microeconomic Review
    - PPF's
    - Supply and Demand
    - Market Equilibrium
- Week 3: 1/30-2/3
  - Microeconomic Review
    - Elasticity
      - Percent change formula
    - Government Policies
      - Price ceilings and floors
      - Minimum Wage
    - Taxes
      - Elasticity and tax incidence
- Week 4: 2/6-2/10
  - Welfare Analysis
    - Consumer and Producer Surplus
    - Social Planner
  - Taxes and Deadweight Loss
    - Laffer Curve
  - International Trade
    - Imports and Exports
    - Tariffs
- Week 5: 2/13-2/17
  - Income and Expenditures
  - Gross Domestic Product (GDP)
    - Real versus Nominal GDP
- Week 6: 2/20-2/24
  - GDP Deflator
  - Measuring the Cost of Living
    - Consumer Price Index
  - Interest Rates
- Week 7: 2/27-3/3
  - Production and Growth
    - Diminishing Returns
  - Savings and Investment
    - Financial markets
    - Private and Public Savings
  - Market for Loanable Funds
- Week 8: 3/6-3/10
  - Present Value of Money

- Risk and Return
  - Random Walk
  - Unemployment
    - Measuring unemployment
- Week 9: 3/13-3/17
  - Unemployment
    - Types of unemployment
  - Minimum Wage Laws
  - Unions and unemployment
- Week 10: 3/20-3/24
  - The Monetary System
    - Functions and kinds of money
    - Federal Reserve System
  - The Money Supply
    - Money Multiplier
- Week 11: 3/27-3/31
  - Spring Break
- Week 12: 4/3-4/7
  - Money Growth and Inflation
    - Money neutrality
    - Velocity equation
    - Fisher effect
    - Costs of Inflation
  - The Open Economy
    - Net Exports
    - Net Capital Inflows
    - Savings and Investment in open economies
    - Exchange Rates
- Week 13: 4/10-4/14
  - The Open Economy
    - Purchasing Power Parity
    - Foreign Currency Exchange
    - Market for Loanable Funds in an open economy
    - Trade and government policies
  - Aggregate Demand and Aggregate Supply
    - Economic Fluctuations
    - Aggregate Demand
      - Wealth, Interest Rate and Net Imports Effects
      - Shifts in Aggregate Demand
- Week 14: 4/17-4/21
  - Aggregate Demand and Aggregate Supply
    - Aggregate Supply
      - Long Run Aggregate Supply
        - Modelling applications
      - Short Run Aggregate Supply
        - Sticky wages and prices

- Recap of AD-AS model
  - Application to the Great Depression and other economic events
- Week 15: 4/24-4/28
  - Monetary Policy and Aggregate Demand
    - Equilibrium in the money market
  - Fiscal Policy and Aggregate Demand
    - Multiplier Effect
    - Crowding Out Effect
  - Short Run Phillips Curve
    - SRPC and the AD-AS model
- Week 16: 5/1-5/5
  - Long Run Phillips Curve
- Week 17: 5/8-5/12
  - Finals Week

### Additional Information:

#### Honor Code

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council ([honor@colorado.edu](mailto:honor@colorado.edu); 303-735-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Other information on the Honor Code can be found at <http://www.colorado.edu/policies/honor.html> and at <http://www.colorado.edu/academics/honorcode/>.

#### Discrimination and Harassment

The University of Colorado at Boulder Discrimination and Harassment Policy and Procedures, the University of Colorado Sexual Harassment Policy and Procedures, and the University of Colorado Conflict of Interest in Cases of Amorous Relationships Policy apply to all students, staff, and faculty. Any student, staff, or faculty member who believes s/he has been the subject of sexual harassment or discrimination or harassment based upon race, color, national origin, sex, pregnancy, age, disability, creed, religion, sexual orientation, gender identity, gender expression or veteran status should contact the Office of Discrimination and Harassment (ODH) at 303-492-2127, or the Office of Student Conduct (OSC) at 303-492-5550. Information about the ODH, the above referenced policies, and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at <http://www.colorado.edu/odh>.

#### Classroom Behavior Policy

Students and faculty each have responsibility for maintaining an appropriate learning environment. Those who fail

to adhere to such behavioral standards may be subject to discipline. 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. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records. See policies at

<http://www.colorado.edu/policies/classbehavior.html> and at  
<http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student code>.

### Students with Disabilities

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 be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Center for Community N200, and  
<http://www.colorado.edu/disabilityservices>.

If you have a temporary medical condition or injury, see guidelines at  
<http://www.colorado.edu/disabilityservices/go.cgi?select=temporary.html>.

Disability Services' letters for students with disabilities indicate legally mandated reasonable accommodations. The syllabus statements and answers to Frequently Asked Questions can be found at  
<http://www.colorado.edu/disabilityservices>.

### Religious Observance Policy

Campus policy regarding religious observances requires that faculty make every effort to deal reasonably and fairly with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. If you have a conflict, please contact me at the beginning of the term so that we can make proper arrangements. See full details at <http://www.colorado.edu/policies/fac relig.html>.