

**Economics 2020-010 Principles of Macroeconomics
Spring 2007 University of Colorado at Boulder**

Professor: Stephen Billings

Office: Econ 414

E-mail: billinsb@colorado.edu

Office hours: 10-11 MWF and by appointment.

Course website: <http://ucsu.colorado.edu/~billinsb>

Lecture: Monday, Wednesday, Friday, 9:00-9:50 am HLMS 201.

Required Text: • **Krugman, Paul and Wells, Robin, (2005), Macroeconomics, Worth Publishers** – I would suggest looking for used/new copies online before buying at the bookstore to compare prices. Also, the best strategy for doing well in class and understanding the material is to read the corresponding textbook chapters before class.

Course Description: Macroeconomics is the economics field of study that considers aggregate behavior, and the study of the sum of individual economic decisions. This is in contrast to microeconomics, the study of the economic behavior of individual consumers, firms, and industries. We will study the principles of macroeconomics with special emphasis on government policy and goals such as economic growth, price stability, full employment and the attainment of a sustainable balance of payments. The main goal of this class will be to improve your economic literacy and help you informatively question the actions of policymakers and economic institutions such as the Federal Reserve and the World Bank.

Prerequisites: High school algebra. Students should be comfortable using equations, graphs, and tables.

Lectures: In lecture, new material will be presented that will follow topics from the textbook, but will differ in emphasis. All students are strongly encouraged to attend lecture regularly. Besides all the obvious reasons to attend lecture, some exam questions will not be covered in the text but only covered in lecture. In the off chance that you miss a lecture, you should try to get lecture notes from a fellow student, if they are willing to share. I don't give students my notes as they are only outlines of topics to discuss and will not be of much help to you.

Recitation:

What happens in recitation is up to your recitation instructor. Your TA will go over how you will be evaluated in recitation. Recitation is a smaller group opportunity to go over questions you have and discuss the more challenging concepts. Attending recitation is required and expected.

Exam Preparation/Textbook Website:

In order to help prepare for exams and solidify concepts from class, a number of resources are available.

- 1) The course webpage <http://ucsu.colorado.edu/~billinsb> has a set of review problems by economic topic and also has answers to these problems. Students are encouraged to work on these problems and check them at their own pace. We will not go over them in class.
- 2) Before each exam, I will provide an exam problem set that will closely resemble the exam in terms of material and types of questions. Students are expected to go through these questions on their own and we will go over them in the class session before the exam.
- 3) The Krugman and Wells textbook Microeconomics has a number of online problems and a review of different concepts that are helpful for topics that students are having trouble grasping. You will need to register as a student on the website for access to this material. The website is <http://bcs.worthpublishers.com/krugmanwellsmacro/default.asp?s=&n=&i=&v=&o=&ns=0&uid=0&rau=0>

Grading: Your course grade will be based on three exams, your recitation grade, an article assignment, and an investment assignment. Exam dates are listed below. The breakdown of grades is as follows: 20% for each of three exams and recitation, 10% for the Article Assignment, 10% for the Investment Assignment, and 20% for the Final. To make this add up to 100%, I'll automatically drop the lowest of the three Exam scores or your recitation score.

Letter grades will be assigned as follows:

93.00 – 100.0 %	... A
90.00 – 92.99 %	... A-
88.00 – 89.99 %	... B+
83.00 – 87.99 %	... B
80.00 – 82.99 %	... B-
78.00 – 79.99 %	... C+
73.00 – 77.99 %	... C
70.00 – 72.99 %	... C-
68.00 – 69.99 %	... D+
63.00 – 67.99 %	... D
60.00 – 62.99 %	... D-
59.99 – 0.00 %	... F

Investment Assignment: One ongoing assignment for this class is a simulated market experiment in investment. This is probably one of the most practical assignments you will do in an economics class and the concepts you learn about stocks, mutual funds, bonds will be useful to you when you have jobs and money to invest/save. Spending time to research and think about this assignment will be well worth the time and helpful to your future financial security. I will go into details about this assignment in class and the course website has handouts that will explain everything. You will have to turn in three assignments to be graded and they will all be averaged together for 10% of your final grade. The top performers in this assignment will be eligible for extra credit.

Article Assignment: In order to improve economic literacy, each student will be required to find a newspaper or magazine article that relates topics and ideas from class to the real world. This assignment will consist of turning in **a copy of the article, a brief summary of the major points of the article and why you chose this article (150 words max), and three discussion questions about the article** which will be used in class. This is worth 10% of your final grade

Make-Up Examinations: The three exams will take place during regular class time in the regular class room on the dates listed below. The multiple-choice portion of the exams will be graded by Scantron, so be sure to remember a #2 pencil. You'll probably also want to bring a calculator (no

cell phone calculators). The format of questions will be multiple choice and short answers. Exam questions will be based on material covered in the book and/or in lecture. A majority of the questions will test your memory and understanding of the definitions and concepts covered, and a minority of the questions will test your ability to synthesize the material and apply the concepts in a new context. I'll talk more about each exam as the exam date approaches.

Since this is a large class, **make-ups for any exam are allowed only under compelling circumstances**. Under such a compelling circumstance, you are almost always required to make prior arrangements before the exam, usually one week in advance. In the case that you miss an exam that you cannot make-up, remember that the lowest exam or recitation grade is dropped. So missing an exam should be avoided, but it may or may not hurt you as long as you do well on the other midterm exam and in recitation. **In the event that a make-up exam is warranted, I may choose to prorate your exam grade to the other exams.**

Important Dates:

Classes Start: Wed, Jan.17
Recitations Start: Mon, Jan. 22nd
Investment Assignment 1: Friday, Jan 26th
Exam 1: Wed, Feb 21st
Investment Assignment 2: Wed, March 7th
Exam 2: Wed, March 14th
Article Assignment: Mon, March 19th
Exam 3: Wed, April 11th
Investment Assignment 3: Fri, April 27th
Final Exam: Tuesday, May 8th 1:30-4:00

Additional Notes:

If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services (DS) early in the semester so that your needs may be addressed. DS determines accommodations based on documented disabilities. Contact: 303-492-8671, Willard 322, (<http://www.colorado.edu/disabilityservices>).

Disability Services letters for students with disabilities indicate legally mandated reasonable accommodations. Other letters/requests you may receive from agencies such as the Wardenburg Student Health Center, or other health providers, such as physicians or counselors, are recommendations you may choose to follow to assist students but are not necessarily legal mandates. The syllabus statements and answers to Frequently Asked Questions can be found at <http://www.colorado.edu/disabilityservices>.

Campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly deal with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. In this class, accommodations will be made, but only with adequate advanced notification. Students can see full details at http://www.colorado.edu/policies/fac_relig.html.

Students and faculty each have responsibility for maintaining an appropriate learning environment. Students who fail to adhere to behavioral standards may be subject to discipline. Faculty have the professional responsibility to treat students with understanding, dignity and respect, to guide classroom discussion and to set reasonable limits on the manner in which students express opinions. See policies at <http://www.colorado.edu/policies/classbehavior.html> and at <http://www.colorado.edu/studentaffairs/>

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; 303-725-2273). 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/>.

The University of Colorado Policy on Sexual Harassment applies to all students, staff and faculty. Sexual harassment is unwelcome sexual attention. It can involve intimidation, threats, coercion, or promises or create an environment that is hostile or offensive. Harassment may occur between members of the same or opposite gender and between any combination of members in the campus community: students, faculty, staff, and administrators. Harassment can occur anywhere on campus, including the classroom, the workplace, or a residence hall. Any student, staff or faculty member who believes s/he has been sexually harassed should contact the Office of Sexual Harassment (OSH) at 303-492-2127 or the Office of Judicial Affairs at 303-492-5550. Information about the OSH and the campus resources available to assist individuals who believe they have been sexually harassed can be obtained at: <http://www.colorado.edu/sexualharassment/> Be aware of the Drop/Add deadlines (<http://registrar.colorado.edu/DropAdd/Default.html>). I will only add students to the course after the wait list deadline.

If you have three or more final exams scheduled on the same day, you are entitled to arrange an alternative exam time for the last exam or exams scheduled on that day. To qualify for rescheduling final exam times, you must provide evidence that you have three or more exams on the same day, and arrangements must be made with your instructor no later than the end of the sixth week of the semester. For the complete final examination policy, see the University of Colorado at Boulder Catalog (<http://www.colorado.edu/catalog>).

Course Topics (We will roughly cover a topic every week and since exams dates are fixed, they will only cover topics we have finished)

Weeks	Topic	Textbook Chapters
1	Introduction	1
2	Macroeconomic Overview	6,
3	PPF and Demand/Supply	2-5
4	Measuring the Macroeconomy	7
5	Long-Run Growth	8
6	Savings, Investment	9
7	Aggregate Demand/Supply	10
8	Income/Expenditure	11
9	Fiscal Policy	12
10	Money	13
11	Monetary Policy	14
12	Labor Markets	15

13	Inflation	16
14	International Trade/Exchange	18,19
15	Economics of Oil	Supplemental Rdg
16	Urban Macroeconomics	Lecture material