

**Economics 2020-020 Principles of Macroeconomics  
Spring 2007 University of Colorado at Boulder**

**Instructor:** Samuel Raisanen

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**Office hours:** Tuesday 10-11am, Wednesday 11-12 am, (if you are unable to make these times I can meet by appointment as necessary.)

**Course website:** <http://webfiles.colorado.edu/raisanes> (if you have problems opening files, especially pdf files, on Firefox, try IE. This usually fixes the problem)

**Lecture:** Monday-Wednesday-Friday, 10:00-10:50 pm in HUMN 150

**Teaching Assistants (TA):** Karen Maguire, Ying Li

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**Required Text:** • **Krugman, Paul and Wells, Robin, (2006), 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. I follow the book topics fairly closely but will add a few additional things as I see fit.

**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 calculation of important macroeconomic variables, key economic models, and government policy tools and goals such as price stability and full employment. The main goal of this class will be to improve your economic literacy and help you understand the actions and consequences of policymakers and economic institutions such as Congress, the President, and the Federal Reserve. To facilitate this, a portion of the course will focus on reading articles with economic relevance for class discussion

**Prerequisites:** Principles of Microeconomics (Econ 2010) and high school algebra. Students should be familiar with the concepts of supply, demand, and elasticities and be comfortable using equations, graphs, and tables.

**Lectures:** In lecture, new material will be presented that will follow topics from the textbook, but may differ in emphasis. **All students are expected 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. Some lectures will also include a discussion of assigned articles.

**Article Analysis:** Over the course of the class we will be analyzing a number of articles related to the material covered. These will be done on Fridays during weeks in which there is not an exam. The articles will be posted no later than class time on Wednesday. As an incentive to read the articles 5% of the grade will be determined by preparing a short summary of a number of articles. You need to do two summaries per exam (there will be 4 articles before exam #1, 4 articles before exam #2, and 3 before exam #3) and be prepared to discuss the articles in class. The summaries will be credit/no credit and are *due in class on the day we discuss the article*. I reserve the right to randomly call on those people who turned in articles to help answer questions should the class go silent during the discussion. As additional incentive, one article that we discussed will be used on the exam.

**Recitation:** Attending recitation is required. Recitation will focus on problem solving and serves to bridge the gap between the lecture materials and numerical problems on the exams. It will be an opportunity to ask questions in a smaller setting than the lecture and will compose 15% of your final grade.

**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://webfiles.colorado.edu/raisanes> 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 though recitation instructors may at their discretion. I am always happy to answer questions about these problems in office hours. *Some exam questions will be taken from these assigned problems.*

2) 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 two midterm exams, your recitation grade, and a cumulative final exam. Exam dates are listed below. The breakdown of grades is as follows: 15% for recitation, 5% for article analysis, 20% for each of the three midterm exams, and 20% for the final exam. The final is cumulative and I will let you increase your score on the midterms if you do better on the relevant questions that appear on the final by averaging the two as your midterm grade. (For example if you receive an 70 on the first midterm but score an 80 on the relevant questions on the final then I will increase your first midterm score to an 75.) There will also be one (and only one) opportunity for extra credit toward the end of the course (please don't ask if there will be more extra credit, this will be the only chance for extra credit and I will become annoyed if you ask for more so don't). The course will not be curved though any given test may be.

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

**Examinations:** The midterm exams will take place during regular class time in the regular class room on the dates listed below. They will be multiple-choice exams and 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 including a number of

“article analysis” multiple choice questions (think reading section of the ACT or SAT exams). Exam questions will be based on material covered in lecture, the assigned book problems, or problems assigned in recitation. The questions will come in four types: understanding and applying definitions, doing basic calculations, using economic models, and analyzing relevant articles. 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. Typically a make-up exam will be administered prior to the actual exam date and never later than 1 week past the exam date.

**Important Dates:**

- Class Starts: Wednesday, January 17<sup>th</sup>
- Recitations Start: Monday, January 22<sup>nd</sup>
- Exam 1: Friday, February 16<sup>th</sup>
- Exam 2: Wednesday, March 21<sup>st</sup>
- Exam 3: Wednesday, April 25<sup>th</sup>
- Last Day of Class: Friday May 4<sup>th</sup>
- Final Exam: Monday, May 7<sup>th</sup>, 10:30 a.m. - 1:00 p.m.

**If you have 3 finals in a day:** Taken from [http://registrar.colorado.edu/calendar/exam\\_sched\\_spring07.html](http://registrar.colorado.edu/calendar/exam_sched_spring07.html).

“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 (Friday, February 23, 2007).” Since my exam cannot possibly be the last exam of the three, I will be seeing you at 10:30 on Monday May 7<sup>th</sup>.

**Course Topics:**

Topic	Textbook Chapters
Introduction	
A quick micro review of Supply and Demand, Price Controls, Elasticity	3, 4, 5
Intro to Macro	6
Measuring the Macroeconomy	7
Savings, Investment	9
Aggregate Demand/Supply	10
Income/Expenditure	11
Fiscal Policy	12
Money	13
Monetary Policy	14
Labor Markets	15
Inflation	16
Modern Macro	17
Growth	8

**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; 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/>

**Expectations of Classroom Behavior:**

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 members 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/judicialaffairs/code.html#student\\_code](http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code)

**Absences:**

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. Please notify me as soon as possible so that the proper arrangements can be made. Students can see full details at [http://www.colorado.edu/policies/fac\\_relig.html](http://www.colorado.edu/policies/fac_relig.html)

**Disabilities Statement:**

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.

Disability Services determines accommodations based on documented disabilities.

Contact: 303-492-8671, Willard 322, and <http://www.Colorado.EDU/disabilityservices>.

**Time extensions for exams must be approved by me prior to the exam. If you have not talked to me personally and provided the appropriate documentation prior to the exam you will not be granted an extension.**

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>