

**ECON 2020-500**  
**Principles of Macroeconomics**  
**Spring 2008**

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<b>Office:</b>	ECON 304
<b>Office Hours:</b>	M - W 1-2 pm; & by appt.
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<b>Class time:</b>	T, R 2:00-3:15 pm
<b>Classroom:</b>	HLMS 199
<b>Class website:</b>	<a href="https://webfiles.colorado.edu/calimeri">https://webfiles.colorado.edu/calimeri</a>
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### REQUIRED TEXT

Mankiw, N. Gregory, (2007) *Principles of Macroeconomics* (4<sup>th</sup> Edition). Thomson Southwestern Publishers.

Note: I suggest looking online before buying at the bookstore so you can compare prices. Reading the text is essential to doing well in this course.

### COURSE OVERVIEW

Economics is the study of how people, firms, and societies choose to allocate scarce resources; hence, economics is a *social* science as it analyzes what *choices* people make. Economics can be broken down into *microeconomics* and *macroeconomics*. This course is the companion course to Principles of Microeconomics (2010). Macroeconomics is the branch of economics that analyzes the economy as a whole. Macroeconomics examines the economic behavior of aggregates, such as income, employment, output, etc., that determine national output/product. This course will focus on the calculation of major macroeconomic variables, the analysis of key economic models, and on government policy tools. The main goal for this course is to improve your economic literacy and to provide insight into the actions and consequences of government policy makers and economic institutions, such as Congress and the Federal Reserve.

### COURSE LEVEL & PREREQUISITES

Macroeconomics cannot be well understood without some grounding in microeconomics. You should have completed and successfully passed Principles of Microeconomics (Econ 2010). If you have not yet done so, you must see me during the first week of classes. You should also be comfortable with high school level algebra (i.e., solve simple

simultaneous equations graphically and algebraically) and geometry (i.e., finding the area of a triangle).

## LECTURES

I do not take attendance during lecture; however, I strongly recommend you attend all lectures. The majority of lecture material will follow from the text, but the emphasis and some material may differ. If you miss a lecture class, I suggest you copy notes from a friend. Material on exams will come directly from lecture material.

## RECITATION

Attending recitation is required. During recitation, your TA will briefly review material that is presented in lecture, as well as provide you with more examples and practice problems to prepare you for the exams. Recitation serves to bridge the gap between the theory presented in class and problems you will see on exams. It also provides you with an opportunity to ask questions in a smaller setting to facilitate the understanding of challenging concepts/problems. Your TA will describe his/her grading policy and what is expected of you during your first recitation. **Recitation begins the week of January 21, 2008.**

## GRADING

Your grade for this course will be based on three exams, recitation, and a final. Your grade will be determined as follows:

<b>Exam 1</b>	<b>21%</b>
<b>Exam 2</b>	<b>21%</b>
<b>Exam 3</b>	<b>21%</b>
<b>Recitation</b>	<b>21%</b>
<b>Final</b>	<b>37%</b>

To make your total grade add up to 100%, I will automatically drop the lowest out of your three exam scores or your recitation grade. For example, if you received a 78% on Exam 1, an 86% on Exam 2, a 75% on Exam 3 and a 91% in recitation, your Exam 3 grade would be dropped, and Exams 1 and 2 and recitation would each count for 21% of your final grade. Your grade on the final exam will not be dropped for any reason.

### Grading Scale:

<u>Your Score</u>	<u>Grade</u>	<u>Your Score</u>	<u>Grade</u>
93-100%	A	73-76%	C
90-92%	A-	70-72%	C-
87-89%	B+	67-69%	D+
83-86%	B	63-66%	D
80-82%	B-	60-62%	D-
77-79%	C+	≤59%	F

### EXAMS

Due to this policy of dropping your lowest score out of recitation and the two midterms, there are **NO MAKE UP EXAMS** and **NO EXAMS WILL BE GIVEN EARLY**. This also provides you with an extra incentive to attend recitation, as it acts as an insurance policy in case you are sick or miss an exam for another unexpected reason.

Each exam will be composed of two sections: a multiple choice section and a short answer section. Therefore, you should bring a #2 pencil and a **NON-GRAPHING** calculator to the exam (a ruler is also recommended). **No cell phone calculators or graphing will be permitted. I reserve the right to dock points from exams if you are caught with a cell phone or graphing calculator.** Midterm exams will not be cumulative, but the material builds upon itself, so it is important to understand each concept along the way. I will announce before each exam the topics that will be covered. Exam material will be based off of the lecture notes. All exams will be held in the usual classroom. Exam 1 will take place on **Thursday, February 13<sup>th</sup>**. Exam 2 will take place on **Thursday, March 19<sup>th</sup>**, and Exam 3 will take place on **Thursday, April 23<sup>rd</sup>**. **The final exam will be cumulative** and will be held in the usual classroom on **Saturday, May 3, 2008 from 4:30-7:00 pm.**

Note: If you have 3 or more final exams on the same day, you are entitled to arrange an alternative exam time for the **last** exam scheduled on that day. To qualify for rescheduling final exam times, you must provide evidence that you have 3 or more exams on the same day, and you must make arrangements no later than the 6<sup>th</sup> week of the semester (e.g., week of February 18<sup>th</sup>, 2008).

## TENTATIVE COURSE SCHEDULE

The following is the *tentative* schedule of topics to be covered in the course. This schedule is subject to change. We will cover roughly one topic each week. Since exam dates are fixed, they will cover only the material that has been finished.

<b>Week of:</b>	<b>Topic</b>	<b>Chapter(s)</b>
January 14	Review of Micro	2-9
January 21	Measuring a Nation's Income	10
January 28	Measuring the Cost of Living	11
February 4	Production & Growth	12
February 11	The Financial System	13
February 18	Savings & Investment Basic Tools of Finance	13 & 14
February 25	Unemployment	15
March 3	The Monetary System	16
March 10	Money Growth & Inflation	17
March 17	Open-Economy Macroeconomics	18 & 19
March 24	SPRING BREAK – NO CLASS	
March 31	Open-Economy Macroeconomics	18 & 19
April 7	Aggregate Demand & Aggregate Supply	20
April 14	Monetary & Fiscal Policy & Aggregate Demand	21
April 21	Short Run Trade Off Between Inflation & Unemployment	22
April 28	Catch up & Review	

### **Important Dates (Again)**

**First day of classes: Monday, January 14**

**Martin Luther King Day (no class): Monday, January 21<sup>st</sup>**

**Exam 1: Thursday, February 13<sup>th</sup>**

**Exam 2: Thursday, March 19<sup>th</sup>**

**Spring break: Week of March 24<sup>th</sup>**

**Exam 3: Thursday, April 23<sup>rd</sup>**

**Last week of classes: April 28<sup>th</sup>**

**Final Exam: Saturday, May 3, 4:30-7 pm**

## OTHER INFORMATION

I will periodically post practice problems and worksheets on the website, along with any other pertinent information. I will try to announce when I have made a new posting in lecture; however, you should also check the website for new material, especially as exams approach.

### **Disability Policy:**

If you qualify for accommodations because of a disability, please submit a letter from Disability Services to me 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>

### **Religious Observance Policy:**

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. If you have a conflict, please contact me at the beginning of the semester so we can make proper arrangements.

### **Classroom Behavior Policy:**

Students and faculty each have responsibility for maintaining an appropriate learning environment. Students who fail to adhere to such behavioral standards may be subject to discipline. Faculty have the professional responsibility to treat all students with understanding, dignity and respect, to guide classroom discussion and to set reasonable limits on the manner in which they and their students express opinions. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, culture, religion, politics, sexual orientation, gender variance, 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.

### **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); 303-725-2273). 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/>.

**Discrimination & Harassment Policy:**

The University of Colorado at Boulder policy on Discrimination and Harassment (<http://www.colorado.edu/policies/discrimination.html>), the University of Colorado policy on Sexual Harassment and the University of Colorado policy on Amorous Relationships applies to all students, staff and faculty. Any student, staff or faculty member who believes s/he has been the subject of discrimination or harassment based upon race, color, national origin, sex, age, disability, religion, sexual orientation, or veteran status should contact the Office of Discrimination and Harassment (ODH) at 303-492-2127 or the Office of Judicial Affairs at 303-492-5550. Information about the ODH and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at <http://www.colorado.edu/odh>.