Economics 2020-200 Principles of Macroeconomics Summer 2007 University of Colorado at Boulder Instructor: Samuel Raisanen Office: Econ 12 (In the basement of the Econ Building, across from the vending machines) E-mail: Samuel.Raisanen@colorado.edu Office hours: MTWR 11-12:30 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. If not, right click and select download.) Lecture: MTWRF, 9:15-10:50 pm in HLMS 201 Teaching Assistants (TA): Will Olney TA E-mails: William.Olney@Colorado.edu

Required Text: • Krugman, Paul and Wells, Robin, (2006), <u>Macroeconomics</u>, 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 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. There will be an article per chapter, 10 in all. As an incentive to read the articles 5% of the grade will be determined by preparing a short summary of a number of articles. The summaries will be credit/no credit and are *due in class on the day we discuss the article*. You must do 7 of the ten articles. The articles must be typed, at least a ½ page, and double spaced to receive credit. 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 each 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. Recitation will focus on doing problems that may show up on the exam.

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 <u>http://webfiles.colorado.edu/raisanes</u> 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, 25% for each of the two midterm exams, and 30% 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 tests will not be curved though the course may be at the end.

I will guarantee the following letter grades, however the scale may be adjusted at the end of the course:

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.

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 that 1 week past the exam date. Any make-up exam given after the exams have been returned will be a 20 minute oral exam.

Important Dates:

Class Starts: Tuesday 7/10 Recitations Start: Wednesday 7/11 Exam 1: Monday 7/23 Exam 2: Friday 8/2 Last Day of Class: Thursday 8/9 Final Exam: Friday 8/10

If you have 3 finals in a day: For a summer course this should not be an issue.

Date	Chapter	Other Info (Articles/Exams)
Tuesday, July 10, 2007	3	Thai Yellow Shirt Shortage
Wednesday, July 11, 2007	6	
Thursday, July 12, 2007	6	Undercounting Unemployment
Friday, July 13, 2007	7	
Monday, July 16, 2007	7	Environmentalism vs GDP
Tuesday, July 17, 2007	9	
Wednesday, July 18, 2007	9	US Trade Deficit
Thursday, July 19, 2007	10	
Friday, July 20, 2007	10	Coke and Sticky Prices
Monday, July 23, 2007		Exam #1
Tuesday, July 24, 2007	11	
Wednesday, July 25, 2007	11	Negative Savings
Thursday, July 26, 2007	12	
Friday, July 27, 2007	12	Stimulus Minimus
Monday, July 30, 2007	13	
Tuesday, July 31, 2007	13	China's QQ
Wednesday, August 01, 2007	14	
Thursday, August 02, 2007	14	Japan's Liquidity Trap
Friday, August 03, 2007		Exam #2
Monday, August 06, 2007	15	

Course Schedule:

Tuesday, August 07, 2007	15	Unemployment and Home Ownership
Wednesday, August 08, 2007	16	
Thursday, August 09, 2007	16	Inflate the Rich II
Friday, August 10, 2007		Final Exam

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/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 polices at http://www.colorado.edu/policies/classbehavior.html and at

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 <u>http://www.colorado.edu/policies/fac_relig.html</u>

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 <u>http://www.Colorado.EDU/disabilityservices</u>. **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