

Spring 2017

Office Hours and Contact Information

Introduction to Macroeconomics, Discovery House 01:220:103:03

Index Number 05752

Classroom: Beck Hall, Room 250

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Text and Required Materials

**Textbook: Taylor, Timothy, Principles of Macroeconomics,
OpenStax, Publish Date March 2014**

ISBN-10 1-938168-25-9

ISBN-13 978-1-938168-25-3

Creative Commons License Principles of Macroeconomics by OpenStax College is licensed under a Creative Commons License 4.0 International.

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The text book is available free of charge: You can access the textbook at this site: <https://openstaxcollege.org/textbooks/principles-of-macroeconomics/get>

Problems and Homework site: The homework for this course can be found at Sapling Learning. Access to the course materials will cost approximately \$40. I will give out the access information in class.

I think it's best to wait until the first class session is over before you purchase these course materials. I will discuss them on the first day of class.

Learning Goals

Learning Goals: Each department at RU has a set of learning goals for its major program. In Economics, they are:

Economic Literacy—Students who complete the major in economics should understand and be able to articulate, both orally and in writing, the core economic principles, concepts and theories that form the foundation for modern economic analysis and economic research.

Economic Numeracy—Students who complete the economics major should be familiar with the tools, techniques and methods of empirical economics. They should be able to analyze data using computer applications and should be familiar with regression methods and other statistical techniques. They should be able to read and assess general interest articles on economic topics. In addition, they should be able to understand and evaluate key findings in published economic research from a wide range of sources including academic economists, public policy ‘think tanks,’ and government agencies.

Economic Citizenship—Upon completion of the major students should be able to apply their understanding of core concepts and quantitative tools to analyze and research real world problems and evaluate alternative economic policy proposals on microeconomic and macroeconomic issues.

Economic Scholarship—Qualified majors should have an opportunity through such avenues as advanced coursework, faculty interactions, national and local competitions and honors courses and programs to utilize up-to-date methodological tools and become fully engaged in economic research and issues on the frontiers of economics.

Learning Goals for this course: The goals of this course fall primarily under the first two learning goals, Economic Literacy and Economic Numeracy.

Students will show a command of basic mathematical methods used in economic models, and will apply the core economic principles covered in the course in oral presentations and written work. The kinds of mathematics used in the course are the foundation of the analytic tools that will be used throughout the business and economics curricula. These include basic algebra, graphical analysis, and the solution of simultaneous equation system.

Economic Citizenship will be explored as students make oral presentations and written expositions of economic concepts and their relation to real world problems.

Expected learning Outcomes: The Economics department has set this standard for expected learning outcomes for this course.

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Students who satisfactorily complete Introduction to Macroeconomics will understand and be able to articulate the core principles, concepts and theories of modern macroeconomics (the basic aggregate demand and supply model, the multiplier, the Keynesian, Classical and Monetarist models, the open-economy macro model, neo-classical and new growth theory, etc). Students will begin to develop the ability to interpret and analyze economic data such as aggregate output, inflation, unemployment and growth rates. Through lectures, discussions, assignments and readings students will become familiar with the theoretical framework of macroeconomics and learn to apply it to the analysis of macroeconomic policy issues

Course Outline and Schedule of Assessments

Course Outline

17 January: Review of Micro Concepts and the difference between microeconomics and macroeconomics: Chapters 1,2,3,4,5

20,24 January: Aggregation and Macroeconomic concepts. Chapters 6

27,31 January: Aggregation and Macroeconomic Concepts: The Concept of Economic Growth: Chapter 7

3, 7,10 February: Aggregation and Macroeconomic Concepts: Measuring Inflation and Unemployment: Chapters 8,9

14,17,21 February: Aggregation and Macroeconomic Concepts: International Trade and Capital Flows: Chapter 10

17-24 February: **First Online Quiz**

First Hourly Exam: 24 February 2017. During regular class period in regular classroom.

28 February, 3,7,10 March; The Aggregate Demand and Supply Model: Chapters 11,12,13, AppendixB

11-19 March: **Spring Break**

21,24,28 March: Money, Monetary Policy and the Banking System. Chapters 14,15

31 March, 4 April: Exchange Rates and International Finance: Chapter 16

Second Hourly Exam: 7 April 2017. During regular class period in regular classroom.

11,14 April: Government Budgets and Fiscal Policy: Chapters 17,18

18,21,25 April: Global Macroeconomics: Chapters 19,20,21

20-27 April: **Second Online Quiz**

28 April: Last Day of Class: Review Session

10 May, Wednesday: Final Exam (8:00am - 11:00 am) in regular classroom.

Homework and Extra Credit

Homework Assignments

Homework will be assigned through the Sapling Learning website. There are two direct incentives for doing the assigned homework problems. 1.) The quizzes and examinations in this course will be built from the homework assignments to a considerable extent. 2.) You will receive extra credit points for completing the homework. There will be a total of five homework assignments, and each of them will earn you 10 extra credit points *IF YOU COMPLETE THEM BY THE STATED DUE DATE*, for a possible total of 50 extra credit homework points.

There are two direct incentives for doing the assigned homework problems. 1.) The quizzes and examinations in this course will be built from the homework assignments to a considerable extent. 2.) You will receive extra credit points for completing the homework. There will be a total of six homework assignments. If you complete them you will earn of 50 extra credit homework points.

Extra Credit Project: One extra credit project will be available to anyone in the class. These projects will involve making a power point presentation to the class on a topical macroeconomic issue. I will give a list of possible topics around midterm time, but, you can choose a topic yourself and have it approved by me if you like.

The project can be done by a group of no more than 2 students. The maximum score on each paper is 40 extra credit points, and each student in the group would receive the full points awarded; e.g., if 40 points are awarded, each student in the authoring group would receive 40 extra credit points. Each paper will be graded according to the following standards:

Presentation Standard 1 : Does the presentation show that the author or group of authors has a command of the basic supply and demand model of economics, and any other economic concepts used in analyzing the problem under investigation? (20 possible extra credit points)

Presentation Standard 2: Does the analysis of the policy chosen as a topic 'make sense' and is it supported by reasonable arguments? (10 possible extra credit points)

Presentation Standard 3: Is the presentation clear and cohesive? (10 possible extra credit points)

Attendance and Grading Policy

Attendance You are expected to attend each class unless I excuse you. I will take attendance regularly. Three unexcused absences will deduct 100 points from your total course points. Five unexcused absences will deduct 200 points from your total course points. Six or more unexcused absences will deduct 400 points from your total course points. To be excused you must explain to me why you are missing class and submit a notice on the University Absence Reporting website at <https://sims.rutgers.edu/ssra/>.

Indicate the date and reason for your absence. An email is automatically sent to me, and I will determine whether or not your absence will be excused.

Grading Policy

There will be two online quizzes, two hourly exams, and one final exam in this course. Make up exams will be given at the discretion of the instructor after appropriate consultation with the student.

Each quiz will have a maximum value of 100 points. Your highest quiz score will count towards your final grade, and the lowest quiz score will be dropped. Each hourly exam will have a maximum value of 250 points. The final exam will have a maximum value of 400 points. The total possible quiz and exam points in the course, then, is 1000.

Here is an example to illustrate the grading policy. Suppose you receive the following scores during the term.

First quiz: 85/100

Second quiz: 70/100

First Hourly Exam: 200/250

Second Hourly Exam: 185/250

Final exam: 300/400

Only the highest quiz grade counts in the final calculation.

Total exam and quiz points: $85+200+185+300 = 770$ out of a possible 1000 points.

Final Exam Paper Option Instead of a final exam, you may choose to do a term paper. **I must approve the topic by March 28, 2017. Students may work in groups of 2 on this paper.** Students are encouraged to hand in drafts of their work as they proceed with the paper, to receive comments from me on how to improve it. Students may submit the final draft when they are satisfied with their work.

The papers must be submitted no later than 8:00 AM on Wednesday, 10 May 2017. They must be submitted through the Sakai course site in the Assignments2 section. Students should run the papers through Turnitin on the Sakai make sure there are no difficulties with academic integrity before their final submission. For that reason, I will make it possible for students to submit the paper more than once to review the Turnitin Report.

More details about the Final Exam Project will be made available as the term proceeds. But, in general, the paper will be graded according to these standards:

Standard 1 : Does the evidence presented from responsible data sources back up the claims made in the paper? (80 possible points)

Standard 2: Does the paper show that the author or group of authors has a command of the basic aggregate supply and aggregate demand model, monetary theory and policy, etc., and other economic concepts used in analyzing the problem under investigation? (120 possible points)

Standard 3: Does the analysis of the policy chosen as a topic 'make sense'? Is the analysis supported by reasonable arguments (120 possible points)

Standard 4: Is the paper written clearly and understandably, so an interested reader can follow the argument? (80 possible points)

Extra Credit Homework Points Suppose you completed all 5 homework assignments, and earned 50 extra credit points. And, suppose you completed the extra credit project, and received 40 out of 50 extra credit points. Then, your total extra credit points would be 90.

For this example, suppose that, when the course is completed, the grade distribution, based only on exam points, is determined to be:

(This is just an EXAMPLE. I won't know the final grade distribution until the course is completed.)

900-1000 A

850-899 B+

790-849 B

740-789 C+

640-739 C

550-639 D

0 - 449 F

Under this scenario, a score of 770 out of 900 possible points would give a grade of C+. If you had did no homework, and did not do the extra credit project, C+ would be your course grade.

If you completed the homework and received 50 extra credit points, but you did

not do the extra credit project, the total course points would be 820 ($770+50=820$), and the course grade would be a B.

If you completed the homework and received 50 extra credit points, and if you did the extra credit project and received 40 out of 40 points on that, you would receive a total of 90 extra credit points. Adding all your extra credit points to your exam points would give a course score of 860 ($770+50+40=860$) points, which would give a course grade of B+.

Advice: Do the homework assignments by the due date and consider the extra credit project. Not only are the quizzes and exams based on similar questions and problems, the extra credit points can only help you.

Current Events

You are also expected to keep up on current events in the economy. I will usually begin each lecture with some discussion of the major economic events of the day. Much that we discuss in class can be better understood if you read one or more of the major news sources covering the economy. I will usually start class with a presentation from some news source on an economic issue of the day. Good sources are bloomberg.com, cnbc.com, money.cnn.com, forbes.com etc. Here's the link to the Bureau of the Census <http://www.census.gov> and the Bureau of Labor Statistics <http://www.bls.gov> which provide considerable economic information.

The course also has a Twitter site, on which I post articles and information about the current economic events. Many of the items I post on this site are useful in providing topics for extra credit presentations and final papers. You can access the Twitter site by visiting <http://twitter.com/RUDiscoveryEcon>. (You don't have to follow the site to view it.)

Academic Integrity and Code of Conduct

University Code of Student Conduct

It's important to realize that coming to the University brings you into a scholarly community, and as with all communities, there are principles and standards of behavior and action. Below, is the Preamble to the University Code of Student Conduct. (The full document can be found at <http://studentconduct.rutgers.edu/university-code-of-student-conduct/>)

University Code of Student Conduct Summary

A university in a free society must be devoted to the pursuit of truth and knowledge through reason and open communication among its members. Its rules should be conceived for the purpose of furthering and protecting the rights of all members of the university community in achieving these ends.

All members of the Rutgers University community are expected to behave in an ethical and moral fashion, respecting the human dignity of all members of the community and resisting behavior that may cause danger or harm to others through violence, theft, or bigotry. All members of the Rutgers University community are expected to adhere to the civil and criminal laws of the local community, state, and nation, and to regulations promulgated by the university. All members of the Rutgers University community are expected to observe established standards of scholarship and academic freedom by respecting the intellectual property of others and by honoring the right of all students to pursue their education in an environment free from harassment and intimidation.

From the Preamble, University Code of Student Conduct, Policy on Academic Dishonesty

I want to make it very clear to everyone that I will not tolerate cheating in any of my courses. If I believe someone is cheating on a quiz or exam or paper, I will report the incident directly to the Dean, who will take the matter from there. Examples of such cheating are copying answers from someone else's test onto your own, copying material from reference sources and representing them as your own ideas or writings, storing information in a calculator's memory and using it on the exam, using notes or such during the exam when not approved by me, working together on projects that are to be done on your own, etc. I urge all of you to become familiar with the University procedures for dealing with academic dishonesty. It can be found at: <http://academicintegrity.rutgers.edu/academic-integrity-disciplinary-process/>

Student Wellness Services: The University provides a number of services to help students dealing with the stresses and strains of the term. Here is a list of some of the resources available.

Counseling, ADAP & Psychiatric Services (CAPS), for non-emergency psychological health issues:

(848) 932-7884 / 17 Senior Street, New Brunswick, NJ 08901 www.rhscaps.rutgers.edu/

Violence Prevention & Victim Assistance (VPVA)

(848) 932-1181 / 3 Bartlett Street, New Brunswick, NJ 08901 www.vpva.rutgers.edu/

Disability Services

(848) 445-6800 / Lucy Stone Hall, Suite A145, Livingston Campus, 54 Joyce Kilmer Avenue, Piscataway, NJ 08854 / <https://ods.rutgers.edu/>

Scarlet Listeners, for confidential peer counseling and referral hotline:

<http://www.scarletlisteners.com/> or call (732) 247-5555