

Introduction to Macroeconomics

Semester	Summer 2017
Section	(103) B1
Department	Economics (220)
Instructor	PhD. student Freddy Rojas Cama Office: TBD Email: frojas@economics.rutgers.edu Personal website: http://econweb.rutgers.edu/frojas Course website: http://sakai.rutgers.edu
Meeting Times	MTWTh 10:30 a.m. - 12:25 p.m.
Location	Murray Hall; Room 112.
Office hours	TW 3:00 - 3:50 p.m. or by appointment.
Important Dates	Final Exam July 6th Exam I June 7th Exam II June 21st

The final exam date is already sheduled by the instructor.

Course Description. Macroeconomics studies the behavior of the aggregate economy and deals with the determinants of a nation's output and income, the determinants of the average level of prices and their rate of change (inflation), and the determinants of growth in an economy. While an Introductory Microeconomics course is highly recommended, it is not required if one is prepared to quickly catch-up (but if you have a choice, take Micro first). Above all, this is intended to be a course dealing with issues you will certainly face in your private, public, and professional lives and which will provide you with useful and usable skills and insights. The lectures will be 1 hour and 55 minutes long; therefore, the instructor recommends that you familiarize yourself with all of the sections; it is strongly suggested to read the respective chapter of the book and prepare questions related to each topic before each class starts. This is the best strategy for dealing with the daily lectures.

Course Goals and Learning Outcomes. 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.

The department's learning goals for the economics major can be found at:[Department's learning goals.](#)

Textbook. The text for this course is

Principles of Macroeconomics
Book & Package with MyEconLab access
12th ed., Pearson, ISBN 9780134421193
Karl E. Case, Retired; Wellesley College
Ray C. Fair, Yale University
Sharon E. Oster, Yale University

Your purchase includes the following: a license to create an account on MyEconLab, access to the web site for homework assignments and access to the electronic version of the text as well as additional material. Follow the instructions posted to Sakai under “Resources/Syllabus and instructions” to create your account. When registering, you must provide your alphanumeric NetID (not your nine-digit RUID) so your homework scores on MyEconLab can be correctly associated with you. Failure to do so will result in no credit given for any homework completed. If you buy a used copy of the book, you will still need to buy a license for MyEconLab. Alternatively, you can choose to purchase MyEconLab only and use the e-text version of the book on the site to save money. The lectures will cover additional examples, discussions and theoretical analysis. It is valid to follow other guides or notes available on internet, but you must be assured about the reliability of that information; do not hesitate to ask the instructor about what you may find in another sources.

Again, the instructor strongly suggests to review and read the topics before the class starts. Thus, you will be able to have time for reviewing topics you are not familiar with.

Course Outline. The course outline is as follows:

- I. Introduction to Economics.
 - (a) Economic and macroeconomic issues.
 - (b) Demand, Supply and equilibrium.
 - (c) Demand and Supply Applications.
- II. Macroeconomics and National Accounting.
 - (a) Introduction to Macroeconomics.
 - (b) Measuring National Output and National Income.
 - (c) Unemployment, Inflation, and Long-Run Growth.
- III. The Core of Macroeconomic Theory.
 - (a) Aggregate Expenditure and Equilibrium Output.
 - (b) The Government and Fiscal Policy.
 - (c) Money, the Federal Reserve, and the Interest Rate.

- (d) The Determination of Aggregate Output, the Price Level, and the Interest Rate.
- (e) Policy Effects and Cost Shocks in the AS/AD Model.
- (f) The Labor Market in the Macroeconomy.

IV. Further Macro Issues.

- (a) Financial Crises, Stabilization, and Deficits.
- (b) Household and Firm Behavior in the Macroeconomy: A Further Look.
- (c) Long-Run Growth.
- (d) Alternative Views in Macroeconomics.

V. The World Economy.

- (a) International Trade, Comparative Advantage, and Protectionism.
- (b) Open-Economy Macroeconomics: The Balance of Payments and Exchange Rates.
- (c) Economic Growth in Developing Economies.

The student can track the topics on (specific) dates along the course [here](#). Also there are interesting links to look at:

- a) Economics dictionary
- b) World Economic Outlook
- c) Country comparison
- d) IMF DataMapper

Homeworks. Homework assignments will be done in MyEconLab, their availability and due dates will be announced in class and posted on Sakai Calendar. You must submit them by the deadline and must have provided your NetID on MyEconLab. There will be absolutely no exceptions to these requirements. No extensions to deadlines will be given. If you are not able to submit your homework on due date your grade is zero. The instructor does not give extra-credit homeworks or assignments.

The purpose of the homework is to learn about definitions and disequilibria in the markets; the foregoing has significant relevance since the understanding of the underlying adjustment process is paramount. We will talk more about these homeworks in class. Student may work in group but submission is made individually. The purpose of working in groups is twofold. First, by sharing ideas you will be able to learn from each other. Second, to get you accustomed to work with other people, a likely situation in your future jobs. Frequently, a major part of an assignment will be summarized into various components. In order to understand the entire assignment, you should not divide the problems among your group members, but have each person working on each part and discussing what you come up with. Again, the idea of the course is to give you tools, and the instructor expects you to learn as much as you can.

Grading policy. Each exam will be scored out of 100%. At the end of the semester, the scores will be converted into grades using the standard grading scale:

Grade	Interval
A	[85 - 100]
B+	[80 - 85)
B	[75 - 80)
C+	[70 - 75)
C	[60 - 70)
D	[50 - 60)
F	[0.0 - 50)

All exams will cover only the material since the last evaluation in the course; the final exam is cumulative (i.e. it will cover all lectures). If you do not attend exams, you will receive a zero for that grade.

Warning: If you decide to drop the class, make sure you fill out the proper paperwork and let me know. If you do not officially withdraw, you will probably receive a failing grade for the course, which will remain on your record forever.

Incomplete grade: The grade of TZ is reserved for students who

- a) are passing with a C or above
- b) cannot complete a small (25% or less) amount of the course for unavoidable documented reasons.

These criteria are subject to the instructor's discretion. Incompletes are very rare, and are an opportunity to make up missed work, not a new start. I have rarely given incompletes!

Withdrawals: You may award a W to yourself by officially withdrawing. If you just quit coming to class without formally withdrawing, you will receive zeros on all of the remaining assignments, which will probably lower your grade to an F that will remain on your record forever.

Course grading scheme

Exam 1	25%
Exam 2	25%
Homeworks	20%
Final Exam	30%

Attendance Policy. Students are expected to attend all classes. If you expect to miss more than two classes, please use the University Absence Report Website System <http://sims.rutgers.edu/ssra/> to indicate date and reason of your absence. This system will send a report to the instructor.

Student Conduct. Academic dishonesty is a serious offense. Any cheating over examinations will mean an F for the student involved and will be reported to authorities of the student's college. There are no warnings. The following actions are recognized as academic misconducts: a) Taking unauthorized materials into exams, b) submitting homeworks that do not belong to the student, the same applies to references and results of computational exercises. c) Improperly prior knowledge of an examination document and/or using it as material for the examina-

tion. Please, take a tour on Academic Integrity in the following student-conduct website link: <http://studentconduct.rutgers.edu/academic-integrity>, and instructor suggests to take a 6 minute interactive-tutorial on Plagiarism and Academic Integrity in the following link: <http://library.camden.rutgers.edu/EducationalModule/Plagiarism/>. Attention: This class will abide by the Scholastic Code and Student Code of Conduct.

ADA compliance. Please let your instructor know if you have a documented disability, so he can provide any accommodations you may need. Please check the following link for more information: <https://ods.rutgers.edu>

Make-Up Policy. There are no make-ups for missed exams due to absence or tardiness. A make-up is only allowed under unpredictable and uncontrollable events. The allowance for a make-up needs to be approved by the instructor and each request requires strict verification of documentation (e.g documentation that shows student sought medical attention or medical proof of serious injury). There are no make-ups for homeworks.

Exams. This is the (authorized) material you need for the exams:

- a) Calculator
- b) Pencil/pen and eraser
- c) Rutgers Identification Card (RU ID)

The instructor will provide material for examinations in case you need them (e.g. ad-hoc functional forms). The content of the exams or tests will be distributed and read by instructor 3/5 minutes before the exam starts. If you need scratch paper you can ask for additional bluebooks. Also, you need to sign and write your name on a list your instructor is going to provide during the exam; please be sure not to leave the room without signing.

In the instructor's trajectory, as professor of economics, he has always received questions about how to study or how to be prepared for tests or/and exams. Specifically for this course, the instructor suggests to work out the self-check questions in the book; this material is complementary to notes/slides and discussion in lectures. As soon as classes start, the instructor will give you a detail of what exercises you need to look through. It is important to say that there are no multiple choice questions on examinations; however, the instructor recommends to review and practice the key concepts and summary book's material at the end of each chapter and thus, you can keep working out definitions or concepts; they will absolutely help you in the exams. The exams or tests are comprehensive and will focus on the goals and learning outcomes of this course.

Daily Lectures. As it was previously said, the material for the daily lectures are slides. You must read and study the respective chapter of book before the lecture starts (the instructor will provide you of readings based on chapters of the course book). It is your responsibility to keep reading and studying each topic in the book as long as the instructor moves along the course.

Appeals. Students can write appeals only for exams. This appeal consists of one electronic sheet with the date of the exam, question(s) and arguments to support why student believes the grade is low (download the format [here](#)). You must send this appeal to the instructor attaching the original exam. The appeals are received only 4 (effective) days after the exam is returned to the student but 1 (effective) day for the case of a final exam. Again, no appeals

are received for homeworks.

Office Hours Policy. Office hours are available for helping students with the topics discussed in class; specifically, office hours are designed to clear up possible missing lines in lectures or just discuss questions, solutions in exam questions and work-out problems. Also, you can come by to my office and discuss further problems you are interested in. You must know that office hours are not a substitute of a lecture class.

Because professor's schedule is tight, the instructor will not be able to spend much time answering questions after class. However, the instructor usually comes to class 5-10 minutes early. Please try to catch the instructor by either come to his office hours, making an appointment or coming early to class.

Other Important Issues. Please check the following site

<http://newbrunswick.rutgers.edu/status>

to find out if a specific Rutgers campus is open and/or operating at a normal schedule. Please be alert to status reports given by the university; any cancellation of lectures are based on these reports.