

# **Rutgers University Fall 2017**

## **Department of Economics**

**SYLLABUS: Intro to Macroeconomics (01:220:103:03)**

**Lectures: TuTh 2:15-3:35pm, Hickman 101, D/C**

**Instructor:** Dr. Basanta Chaudhuri

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Office: New Jersey Hall (NJH) 102

**Office Hours:**

Mon 3:00-4:00pm, Wed 2:00-3:00pm

and by appointments

(Office Tel: 848-932-8611)

**IMPORTANT:** Read this syllabus very carefully. You are responsible for all information and materials in it. Information on the Web: The Department of Economics maintains a comprehensive web site at (<http://economics.rutgers.edu>). This should be your first stop for virtually all of your economics inquiries. On the web site you will find information about the major, job opportunities, career choices, the faculty, library resources, and internet resources. My web page is <http://econweb.rutgers.edu/chaudhur> .

## **IMPORTANT DATES TO REMEMBER:**

**First Day of Class: Tuesday, Sept 5**

**Last Day to drop classes without a “W” grade: Tues, Sept 12**

**Midterm 1 (Thursday, Oct 5)**

**Designation of Class Days: Tuesday (Nov 21) is Thursday and Wed (Nov 22) is Friday.**

**Thanksgiving Recess (Thurs-Sun, Nov 23-26)**

**Midterm 2 (Thursday, Nov 9)**

**Last Day of Class: Wed, Dec 13**

**Reading Day: (Thursday, December 14)**

**Final Exam (Mon, Dec 18, 2017 12:00-3:00 PM)**

**Macroeconomics** is the study of the economy as a whole, understanding the big picture involving macroeconomic aggregates like national product and national income, economic fluctuations (business cycles), unemployment rate, inflation rate, productivity and economic growth, money and banking, the Federal Reserve Bank, monetary and fiscal policies, government budget, taxes and national debt.

### **Course Description**

This course is about macroeconomic principles, issues and problems. The purpose is to develop a logical, conceptual and analytical understanding of macroeconomic principles and to deal with problems associated with the allocation of resources and trade-offs, basics of supply and demand, economic problems of aggregate output, unemployment and inflation, business cycles and stabilization policies, money and banking, and fiscal and monetary policies. Most of these concepts and problems will be discussed with reference to the American economy (contemporary and historical).

**Pre-requisites:** 01:640:111 and 01:640:112 or 01:640:115 or placement into Calc I or equivalent

### **Learning Goals**

The student who successfully completes this course will develop a solid understanding and be able to articulate the core principles of macroeconomics (aggregate demand and supply, unemployment and inflation, the impact of fiscal and monetary policies on the economy etc.). The students will begin to develop the ability to interpret and analyze economic data involving the aggregate output, unemployment, inflation, government budget, taxes and monetary policies by the Federal Reserve Bank. Through the lectures, discussions, assignments and readings the students will become familiar with the theoretical framework of macroeconomics and apply it to various policy issues.

After completing the course students should be able to read and comprehend general interest articles on the economy. In addition their understanding should be solid enough so they are prepared to proceed to the next level where they will study the different schools of thought (**Classical vs Keynesian**) concerning the macro economy.

### **REQUIRED TEXTBOOK:**

**Case, Fair, Oster, Principles of Macroeconomics** 12<sup>th</sup> edition, Pearson

(ISBN 978 0 13 4078 80-9)

Students are expected to read each assigned chapter before the material is presented in class. My classroom presentations are not meant to be a repetition of what is in the textbook, but rather they will focus on the more difficult concepts, respond to specific questions, and tie what we are learning to macroeconomic public policy and related current events.

In addition, I will be supplementing the assigned reading with materials such as video presentations and articles all of which will be posted on our Sakai portal. My expectation is that you will review all supplemental materials and become familiar with them.

### **MyEconLab**

**If you select this course, then you must have timely access to MyEconLab because assigned problem sets will be completed through this online learning resource.** Your responsibility is to learn how to utilize all the features of MyEconLab and keep abreast of the material. Registration will remain open until the week following the add/drop date. Afterwards, registration will be closed. (Note that you are able to register for MyEconLab on a temporary basis at no cost which provides you flexibility during the add/drop-period).

**The access information for MyEconLab is the following:**

Visit <http://pearsonmylabmastering.com/>

Register as a student using the instruction sheet posted on our Sakai class page under the Resources tab.

Be sure to use the Course ID shown on the instruction sheet when registering.

Be sure to enter your alphanumeric NetID in the indicated field.

MyEconLab can be purchased with or without an electronic version of the text, so your options are the following:

Purchase access to MyEconLab with the e-book

Purchase access to MyEconLab only and purchase a hard copy of the text either new or used. (To save money, the 11<sup>th</sup> edition of the text is acceptable.)

You also have the option of purchasing all the resources through the RU Bookstores as follows:

**Case, Fair, Oster**, Principles of Macroeconomics 12<sup>th</sup> edition, Pearson

MyEconLab Code with e-text, ISBN: 9780134061191

MyEconLab Code with e-text and Loose-leaf text package, ISBN: 9780134421193

There are several **buying/renting options**: Loose leaves, used hardcover, eBook, Rental. Check out RU Bookstore (Burns & Noble), NJ Bookstore ([rutgers.bncollege.com](http://rutgers.bncollege.com)), [coursesmart.com](http://coursesmart.com), [amazon.com](http://amazon.com), [textbooks.com](http://textbooks.com))

You are expected to read the Wall Street Journal, New York Times, The Economist and other business periodicals on a regular basis. Handouts and reading materials will be made available from time to time. I'll also post relevant articles (or link to articles) in **Sakai** course website.

**CONTENT AND SCOPE OF THE COURSE:**

Unit 1

Chapter 1 (with Appendix) "The Scope and Method of Economics

Chapter 2 The Economic Problem: Scarcity and Choice

Chapter 3 Demand, Supply, and Market Equilibrium

Chapter 4 Demand Supply Applications

Chapter 5 Introduction to Macroeconomics

Chapter 6 Measuring National output and National Income

Chapter 7 Unemployment, Inflation, and Long run Growth

**EXAM1 (Thurs, Oct 5)**

Unit 2

Chapter 8 Aggregate Expenditures and Equilibrium Output

Chapter 9 The Government and Fiscal policy

Chapter 10 Money, the Federal Reserve, and the Interest Rate

Chapter 11 The Determination of Aggregate Output, the Price Level, and the Interest Rate

Chapter 12 Policy Effects and the Cost shocks in the AS/AD Model

**EXAM2 (Thurs Nov 9)**

Unit 3

Chapter 13 The Labor Market in the Macroeconomy

Chapter 14 Financial Crisis Stabilization and Deficits

Chapter 15 Household and Firm Behavior in the Macroeconomy

Chapter 16 Long Run Growth

Chapter 17 Alternative Views in Macroeconomics

Chapter 18 International Trade, Comparative Advantage, and Protectionism

**FINAL EXAM (Mon, Dec 18, 12:00-3:00 PM)**

**COURSE REQUIREMENTS, ATTENDANCE, EXAMINATIONS AND FINAL COURSE GRADE:**

**Course Requirements and Grades**

Your grade in the course will be based on three exams (each weighing between 25-30%), homework assignments (15%) using **MyEconLab**, and class attendance and participation (5%)

**Grading Scale:** (Must receive C or better to fulfill major as well as minor requirements)

100 - 90 = A                      86 - 89 = B+                      80 - 85 = B

75 - 79 = C+                      61 - 74 = C                      50 - 60 = D

Below 50 = F

**The dates for the exams are as follows** (with weights in the parentheses):

First Midterm (Thurs, Oct 5) (25%)

2nd Midterm (Thurs, Nov 9) (25%)

Final Exam (Mon, Dec 18, 12:00-3:00 PM) (30%)

Each exam will consist of 50-80 multiple-choice questions. **Exams are not cumulative.**

Note that **there are no extra credit assignments/projects available** but improvements in exams will be taken into consideration. So take each exam seriously.

**All exams are closed-book and closed-notes.** You may be allowed to use a simple calculator if needed (no cell phones will be allowed). You must have a #2 pencil to darken ('bubble') the SCANTRON and a good eraser.

It is your responsibility to be prepared for the exams on announced dates. **The final exam is scheduled on Mon, Dec 18, 12:00-3:00 PM).** There will be no make-up exams for Midterm 1 and Midterm 2, except in dire and documented emergencies. Any make-up exam if agreed upon (for valid documented reasons - for example, doctor's note for emergency medical reasons, appropriate document to prove a car breakdown etc.) will be arranged on a mutually convenient date thereafter. There will be no exceptions. Missed exams that are not allowed to be made-up, or are not made-up, will be averaged into your final grade as a zero (i.e., if you miss an exam you will not receive automatically an incomplete course grade).

Note also that **grades are not available via the phone or e-mail.** Grade-related questions cannot be answered via internet (e-mail) or phone.

### **Class Attendance and Participation:**

Students are encouraged to attend lectures on a regular basis and are expected to come, prepared, to every class. Your behavior in the classroom is expected to be courteous, respectful and professional. I strongly encourage your class participation at every available opportunity. Attendance will be checked. Regular attendance and active class participation will be given marginal considerations (5%) when assigning a final grade for the course. Class participation is also expected if you desire to be acknowledged. Your prompt arrival to class and not disturbing the class during its duration are highly appreciated. If you need to leave early or arrive late for some valid reason, please let me know, whenever possible, beforehand. Arriving on time is always expected. Leaving before the scheduled ending of class and being tardy are not good etiquette.

### **Class Room Rules:**

1. Please raise your hands if you wish to ask a question or make a comment.
2. Class room discussions will be civilized and respectful to everyone and relevant to the course topic. Please show respect for differences of opinion.
3. There is no such thing as a "Dumb Question" Never apologize for your questions or if you need clarification on what we are discussing or learning.
4. Please keep all CELL PHONES TURNED OFF during class time.
5. You may use your laptops and i-pads during class time only for note taking purposes and for looking up material that pertains to our class and our discussions.
6. Please remember, using electronic media for non-class purposes during class time is rude and distracting to other students and unfairly interferes with the learning environment.
7. You are welcome to eat snacks and drink beverages in the lecture hall. However, you must clean up after yourself. Do not leave wrappers or empty bottles in the lecture hall.

**ALERT: DO NOT FORGET** to turn off your cell phones, i-pods, i-phones, smartphones, tablet, earplugs, beepers, and other electronic devices. Cell phone cannot be used as a calculator. Use laptops for class materials only.

Note also that grades are not available via the phone or e-mail.

## **Academic Integrity**

(Go to <http://academicintegrity.rutgers.edu/integrity.shtml> )

Cheating is totally unacceptable and highly risky for your academic life/career. The University has established rather severe penalties for cheating. You are strongly advised to review Rutgers' policies on cheating (consult the Undergraduate Catalog).

Turn off all electronic devices (cell phones, beepers, i-pods, i-phones, smartphones, etc.).

### **Self-Reporting Absences:**

Rutgers has a Self-Reporting Absence Website (<http://sims.rutgers.edu/ssra> ). Students are expected to attend all classes. If you expect to miss one or two classes because of illness or a family emergency, please use the University Absence Reporting Website (<http://sims.rutgers.edu/ssra> ) to indicate the date and reason for your absence. An email is automatically sent to me.

### **Students with Disabilities:**

For policies/procedures/accommodation request, go to <http://disabilityservices.rutgers.edu>

## **REMINDER: LEARNING GOALS FOR ECONOMICS MAJORS**

1. 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.

2. 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.

3. 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.

4. 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.

[Department of Economics, Rutgers, The State University of New Jersey, February 2008]

**Student-Wellness Services:**

Just In Case Web App, for a mental health crisis for you are a friend:

<http://codu.co/cee05e>

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/](http://www.rhscaps.rutgers.edu/)

Violence Prevention & Victim Assistance (VPVA)

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