

ECO121: PRINCIPLES OF MACROECONOMICS

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Hours: TTH 3:30 – 4:30 PM
& by appointment

TA: Emily Freedman
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Hours: M 12:00 – 4:00PM
W 12:00 – 3:00PM

Course Information: This is a 3-credit course. It satisfies the General Education Social Contexts and Institutions requirement.

Course Prerequisite: C- or better in MAT 111. It is strongly recommended that you take ECO 120, Principles of Microeconomics, before you take ECO 121, Principles of Macroeconomics.

Course Objectives: In the first half of this course we will extend the supply and demand analysis you learned in ECO 120, Principles of Microeconomics, to the U.S. economy as a whole. After learning how to measure national output, employment, unemployment and the price level, we will use an aggregate demand and supply framework to analyze the factors—both domestic and international—that can bring about a shift in aggregate demand or supply and a change in the price level and/or output/employment.

The second half addresses how policymakers in our government and our Federal Reserve (the “Fed”) can influence aggregate demand, employment and the price level. In addition, we will cover the following topics: supply side economics; the impact of fiscal policies on the Federal deficit/debt; the Fed’s independence from the Federal government, its responsibilities and why and how they have increased since 1913 (when it was created); globalization and its impact on our financial markets and goods markets.

Learning Objectives: *By the end of the course you should be able to:*

1. Define Gross Domestic Product (GDP) and describe the how it is measured.
2. Describe what a business cycle is. Explain the importance of macroeconomic indicators of the business cycle in forecasting output growth.
3. Define unemployment, recession, inflation.
4. What do we mean when we say output is at full employment.
5. Identify the causes of inflation and recession, and in each case, show analytically how each impacts the price level and/or output and employment and unemployment.
6. Analyze how monetary policy or fiscal policy can be used to reduce inflation or head off a recession. Explain the advantages/disadvantages of each policy.
7. Analyze how changes in the value of the dollar can affect U.S. output and inflation.
8. Define globalization. Discuss the global economic crisis that began in the summer of 2007 and the policy implications of the greater interdependence of U.S. and foreign markets.

Course Resources

1. **Required Textbook:** Customized version (cheaper) of Irvin B. Tucker, Macroeconomics for Today, 7th Edition, South-Western Publishing, 2011.
2. **Strongly Recommended:** Subscription to the *Wall Street Journal (WSJ)*. (Instructions for how to subscribe and receive the student discount will be provided the first week of classes.) Acceptable alternatives: read the hard copy or online version of the *WSJ* in your local library, the *New York Times*, www.nytimes.com or any other newspaper that reports economic and financial news.
3. **First Class Conference:** You will need a First Class Account to access our class conference. Our class conference, ECO121(Kearney), should now be on your desktop. If it isn't please let our TA, Emily Freedman, know and she will add you to the conference. Very important: please check for messages on a frequent basis. You can also use the conference to communicate with one another, e.g., to get the notes for a certain class, set up a study group, etc. For this purpose, please use the “**ECO121 Student Messages**” folder within the ECO121(Kearney) class conference.

Exams & Grades:

1. **Exams:** There will be 3 exams. Tentative schedule—
 - Exam 1: Tuesday, February 8 (In Class)
 - Exam 2: Tuesday, March 29 (In Class)
 - Exam 3: During Finals Week
2. **Grades:**
 - Exams 100% (33.33 % each)
 - Additional Points: Average scores from optional assignments and pop quizzes will be added to your final average. Also, if your grade is on the borderline, I will take into account the trend in your exam grades (if it is positive) and class participation (high quality).
Note: ***Final grades are not negotiated.***
 - **Your lowest grade will not** be dropped; each exam is of equal weight.
 - If you must miss an exam, follow instructions in number 3 below.
3. **Makeup exam (oral) and conflict exam policy:**
Makeup exams **will not** be given automatically. Makeup exams will be given only if you (1) notify me before the exam, and (2) provide adequate documentation that certifies an extraordinary circumstance beyond your control prevented you from taking the exam. Otherwise, you will receive a zero; no exceptions!
4. **Academic dishonesty** will not be tolerated. Dishonesty includes, but is not limited to, cheating, plagiarizing, or submitting the work of another person. In other words, you are expected to do your own work on assignments and exams. For more information, please refer to “Academic Honesty and Dishonesty”, Office of Student Affairs.

Classroom Etiquette:

- Come to class on time and leave on time.
 - *Take care of your personal needs before the class begins.* It is impolite and disruptive to leave the classroom and return to your seat while the class is in session.
 - If you have to leave early (or have a situation that prevents you from following the above), let me know in advance, sit by the door and leave quietly.
 - Wait until the lecture is over to pack up your things.
- Be polite and respectful to your classmates: no talking during class.
- Raise your hand. This gives everyone a chance to contribute.
- Turn off your cell phone!
- Laptop Users: please sit in the back row behind your classmates.

Disability Access Policy: If you need course adaptations or accommodations because of a disability, please contact Ann Smith, Director of Disability Services (East Annex, 581-2319), as early as possible in the semester. Please notify me one week before each exam of your arrangements.

Helpful Hints: for obtaining a good grade in the course:

- **Exams are based on material covered *in class***; it is imperative that *you come to class* and take notes.
- Skim the assigned reading *before* going to class; go over your notes and reread the text thoroughly afterward.
- If the material is unclear, ask questions. There is no such thing as a stupid question.
- ***Do not memorize***, try to understand.
- The second half of the course uses the material covered in the first half. If you do poorly in the first or second exam, it is imperative that you find out what when wrong, clear up the confusion, etc. since the material covered on the final is cumulative in nature.

NOTE: *Instructor reserves the right to revise the syllabus. In the event of disruption of normal classroom activities due to an H1N1 swine flu outbreak, the format for this course may be modified to enable completion of the course. In that event, you will be provided an addendum to this syllabus that will supersede this version.*

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APPROXIMATE LECTURE DATES AND READING ASSIGNMENTS

January	11	Introduction to ECO 121 and Chapter 1: Introducing the Economic Way of Thinking
	13	Chapter 2-4: Quick Review of Microeconomics (<i>You are responsible for the material covered in the <u>Appendix to Chapter 1</u> which will not be covered in class.</i>)
	18	Chapter 2-4, Cont.
	20	Chapter 5: Gross Domestic Product
	25	Chapter 5, cont.
	27	Chapter 6: Business Cycles & Unemployment
February	1	Chapter 6, cont.
	3	Chapter 6, cont.
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	8	First Exam on Lectures 1/11 – 2/3
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	10	Chapter 7: Inflation
	15	Chapter 7, cont.
	17	Chapter 8: The Keynesian Model
	22	Chapter 8, cont.
	24	Chapter 10: Aggregate Demand & Supply
March	1, 3, 8, 10	*** Spring Break ***
	15	Chapter 10, cont.
	17	Chapter 10, cont.
	22	Chapter 11: Fiscal Policy
	24	Chapter 11, cont.
	29	Second Exam on Lectures 2/10 – 3/24
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April	31	Chapter 11, cont.
	5	Chapter 11, cont.
	7	Chapter 14: Money & the Federal Reserve System (<i>You are also responsible for <u>pages 374-382</u> which will be covered briefly in class.</i>)
	12	Chapter 16: Monetary Policy
	14	Chapter 16, cont.
	19	Chapter 16, cont.
	21	Chapter 18: International Finance and Global Economic Crisis (end of text)
	26	Global Economic Crisis, Cont.
28	Global Economic Crisis, Cont.	
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May		Final Exam on Lectures 3/31 – 4/28 (Will be given during Finals Week)
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