

Cosumnes River College

Economics 302: Principles of Macroeconomics

Spring 2017

Lecture: Monday and Wednesday 9:00-10:20 a.m., Learning Resource Center 107 (CRN #14118)

Course Web Page: <http://www.csus.edu/indiv/d/dowellm/Econ302>

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Office Hours: Wednesday 8:00-8:45 a.m.
and by appointment

Please read this entire syllabus completely and thoroughly!!!

I view this syllabus as a contract between you and me. I have devoted a significant amount of time and effort to developing it. You should consider it to be the ground rules. "I didn't read the syllabus" is not an acceptable excuse for missing an exam, problem set or other assignment, overlooking a reading, sending me an email that I ignore because it is in improper form, etc.

Catalog Description: This course is a graphical and functional analysis of the economy as a whole. It focuses on the economy's well-being, problems, and possible solutions. Major topics include: basic economic analysis, demand, supply, and equilibrium in a market; macroeconomic sectors, goals, and problems (unemployment, inflation, business cycle, and government budget deficit); the economy's output, income, and price level; aggregate demand, aggregate supply, and equilibrium; and macroeconomic policies (fiscal and monetary). Time permitting, related topics such as international trade, international finance, and economic growth may also be discussed. Course work includes doing arithmetic problems, solving algebraic equations, and graphing straight and curvilinear lines.

Prerequisite and Advisory: *Prerequisite:* MATH 100; or MATH 102; or one year of High School Elementary Algebra with a grade of C or better; or equivalent skills as determined through the assessment process.

Advisory: MATH 120 or MATH 125 with a grade of "C" or better; or one full year of High School Algebra II with grades of "C" or better in each semester; or equivalent skills demonstrated through the assessment process.

What this all means is that you need to be proficient with basic algebra. If you are not, you should not be in this class as it will be virtually impossible for you to pass without these skills. If you have doubts regarding your preparation, you should see me during the first week of class. **If you have completed the prerequisite through any means other than completing the relevant Los Rios classes, you need to bring me evidence of this during the first week of class.**

Expected Workload: The college catalogue provides the following definition of a unit of work:

College work is measured in terms of the semester "unit." In recitation/lecture courses, one hour in the classroom and two hours of study preparation per week constitute a unit of work.

Since this is a 3-unit course, this means that the average student must anticipate devoting nine hours per week to this class in order to pass. Stronger students will likely be able to succeed devoting a bit less time, but weak students will need to devote even more time to the class.

Readings: There will be two sources of assigned readings for this course.

- The required textbook for the class is *Macroeconomics: Principles and Policy*, 13th edition, by William J. Baumol and Alan S. Blinder. The ISBN number for the loose leaf version available through the campus bookstore is 978-13-0561758-2. You are also free to obtain the book from any other source of your choice, though be sure to get the correct book (*Macro*, not *Microeconomics* and a current edition). This book is designated “B&B” in the class schedule.
- We will also use a series of short articles dealing with a number of topics. These will be posted on line and linked up through the course web page. Specific assignments will be announced in class and/or through email.

The last pages of this syllabus contain a reading list indicating textbook reading assignments, problem set due dates and examination dates. An updated version of this reading list will be posted on the course web page and will include any change in textbook reading assignments and links to additional short readings. Note though that problem set due dates and examination dates will not change.

Scope of the Course: Economics 302 is designed to introduce you to the most important topics in macroeconomics. Specifically we will discuss in detail the topics of unemployment, inflation, monetary and fiscal policy, and economic growth. Through the careful consideration of these topics you will leave the course with a greater appreciation and understanding of the economic world in which we live. A primary goal of the course is to enable you to read articles in daily newspapers and business publications with the ability to understand and *critically evaluate* the content and economic arguments being made. By the end of the course you should have developed an understanding of the major economic institutions, the functioning of markets, and the challenges faced in using economic policy to influence the levels of employment, output, inflation and the rate of economic growth.

There will be a significant number of definitions to learn in this course and some math as well. The vast majority of the concepts covered though will require you to think through relationships and be able to analyze problems, recommend solutions, and explain exactly how they might work, using written language as well as graphs and algebra. Hence, you will be expected to do some simple algebra and make use of graphs to summarize, illustrate and explain the key concepts and relationships. Throughout, the most important learning and the emphasis on the exams will be for you to be able to explain, understand, and apply economic reasoning and analysis to carefully and thoroughly answer the question at hand.

Student Learning Outcomes and Objectives (from the course curriculum):

Upon completion of this course, the student will be able to:

SLO 1: Describe and apply basic economic principles and concepts to macroeconomic issues. This includes the ability to:

- Analyze graphical and numerical representations of resource allocation in the presence of scarcity.
- Analyze graphical and numerical representations of a macroeconomic equilibrium using the tools of aggregate supply and aggregate demand analysis.

SLO 2: Demonstrate the use of numerical methods to quantify common terms used in macroeconomics. This includes an ability to:

- Calculate GDP and economic growth rates.
- Calculate unemployment rates.
- Calculate inflation rates using a price index.

SLO 3: Demonstrate the ability to think critically and analyze solutions to major macroeconomic problems including Economic (Growth) Decline, Unemployment and Inflation. This includes an ability to:

- Analyze the strengths and weaknesses of major macroeconomic policy tools.

SLO 4: Discuss the global nature of macroeconomic issues. This includes an ability to:

- Describe the common features of international trade as it is related to GDP.
- Analyze different international trade theories and their implications for specialization.

Students will be expected to demonstrate attainment of the learning objectives stated above as well as mastery of the material presented throughout the semester through regular homework assignments and in class exercises, short tests and a comprehensive final examination.

Announcements: Announcements regarding the class may be sent by email and may contain links to additional readings from current news sources. **These readings are to be considered assigned and required readings for the course and will be fair game for exams. Be sure that you have activated your student Gmail account as this will be the primary way I and everyone else associated with Loa Rios Community College District communicates with you. You should check this email every day!**

E-mail Communication and Etiquette: The best way to contact me outside of class and office hours is via email using either of the email addresses listed above. (I will generally see emails sent to my Sac State email somewhat sooner.) You should view your e-mail as a professional business communication in which you are trying to impress me with your intelligence and ability to do well in my class, not as a text message to one of your friends or classmates. In the interest of achieving this goal, emails sent to me must have “Econ 302” in the subject line. Additionally, please address me in a more respectful manner than “Hey”. I also expect you to use proper grammar, capitalization and punctuation in your message and that you sign your emails with both your first and last names. Emails that don’t meet these minimum expectations likely will be ignored.

Course Requirements and Grading:

Attendance: You are expected to attend lectures regularly and will be encouraged to do so with short in-class assignments consisting of response papers, pop quizzes and in class exercises which will be unannounced and will account for 15% of your course grade. **There will be no make-ups offered if you miss these short assignments, though your three lowest scores will be excluded. I reserve the right to drop you from the course if you miss more than three CONSECUTIVE short in-class assignments.**

Short In-class Assignments

Short in class assignments will include the following and will in total count for 15% of your course grade with your three lowest scores being dropped.

Response papers will require you to respond to one of the following questions:

- a. What is the most important thing you learned today?
- b. What is the muddiest point still remaining at the conclusion of today’s class?

Response papers serve as an incentive for your attendance and as means to gauge comprehension of the material. You will receive credit simply for completing them and they will not be returned.

In class exercises will be short exercises that you work on individually or in groups which will be graded on the same basis as response papers and will be returned. As with response papers, in class exercises will generally not be returned.

Pop quizzes will cover assigned readings or material discussed in lecture and may take place at any time during class. They will be graded on a check/check-minus/zero basis similar to that used for problem sets (see below) and returned. For each pop quiz you must use an 8-1/2 x 11” sheet of paper and follow specific instructions given in class. **If I come to believe students are not completing assigned readings, I will quiz you on the readings before they are discussed in class.**

Problem Sets

Problem sets will be assigned throughout the semester and will be handed out in class and posted on the course web page, generally one week before they are due. You must follow all instructions to receive credit. **Problem sets must be turned in at the beginning of class on the day they are due. If you will be absent, you should have a class mate turn in your work as late problem sets will be accepted! I also do not accept electronic submissions.** I will answer questions and go over specific problems during lecture time, though I will not answer questions before collecting problem sets on the day they are due. To get your questions answered you need to think and plan ahead! Solutions will be posted on the course web page. There will be only three marks: A mark of 'check' indicates considerable effort has been demonstrated on all questions with generally good, though not necessarily entirely correct overall results and represents full credit or a score of 100%. A mark of 'check minus' represents substantial effort, but with incomplete results and represents a score of 70%. A mark of 'zero' indicates either that no problem set was submitted or that what was submitted shows at best minimal effort with unacceptable results and represents no credit. Please note though that a mark of 'check' is not a green light accepting all of your answers as 100% correct. It is your responsibility to check them against the answer key and ask for help if you need clarification. Your lowest problem set score will be dropped with the remaining seven collectively accounting for 14% of your course grade. Due dates are indicated on the course schedule. For those problems sets due the class session before an exam, you may want to make a copy so that you will have it available to study.

Short Tests and Final Examination

There will be four short tests over the course of the semester and a final comprehensive examination. The short tests will consist of multiple choice, short answer, short essay and problem solving questions. Each will cover the assigned readings, problem sets and material presented in lectures as indicated on the course schedule and will account for 12.5% of your course grade. I will give you general guidelines of what to expect the class session before each and will allow time for questions and review. I will not provide a printed study guide that tells you exactly what you need to know though. You will have fifty minutes to complete each short test at which point you will turn in your scantron and written answers but will keep the multiple choice questions. We will then go over the test in the remaining class time. The final examination will consist entirely of multiple choice questions and will cover material from the entire semester.

For each test or exam you need to bring a Scantron Form 882, a number 2 pencil and a basic non-graphing calculator. Neither electronic devices of any other kind nor any notes are allowed during tests or exams. If you are caught using any prohibited electronic devices or notes you will be considered to be cheating and will receive a failing grade on the test or exam! Individual scores will be scaled relative to the highest score on a given test or exam, possibly excluding outliers. For example, if excluding outliers, the highest raw score is 92 and you earn a score of 69, I will divide 69 by 92 to arrive at your percentage score of 75%, indicating a grade of C.

Tests and exams will be held according to the course schedule included in this syllabus. These dates are firm and will not be changed, so plan accordingly. **There will be no "make-ups" given.** In the event a student misses a short test for "serious and compelling reasons" and has supporting documentation, the weighting for that test will be divided equally among the remaining tests and the final exam. "Serious and compelling reasons" would generally include serious illness or injury of yourself or an immediate family member, death of a family member or absence made necessary by a campus sponsored events or military service. I shall have sole discretion in determining whether or not the reasons for missing a midterm examination are "serious and compelling." **Should this situation arise, I must be notified by 9:00 a.m. on the day of the test by email at the very latest and documentation deemed acceptable by me must be provided as soon as practical. If you miss more than one short test, regardless of the reason, you will receive grades of zero on the additional missed tests. Regardless of your grade going into the final exam, if you do not take the final you will receive an "F" in the course.**

Grades from individual components will count toward your final grade as follows:

Problem Sets (best 7 of 8)	14%
Response Papers/Pop Quizzes/In-Class Exercises (excluding lowest three)	15%
Four Short Tests (12.5 % each)	50%
Final Exam	21%

Final course grades will be assigned based on the percentage of the total possible points you earn and according to the following scale:

90-100%	A	80-89.99%	B	70-79.99%	C
60-69.99%	D	Less than 60%	F		

A Few Words of Caution

Experience has shown that Economics is not a subject that you should let slide until the last minute. An economics course is similar to a math course in that much of the material is cumulative, with each day's lesson depending on comprehension of the material that has come before. I therefore urge you to attend class on a regular basis and actively participate. Experience has shown that students whose attendance is irregular usually do poorly. I also urge you to keep up to date on the reading and assignments and to ask questions in class or come see me during my office hours if you are having difficulty. Forming study groups is also a good way to learn the material. If you are having difficulty, PLEASE come see me sooner rather than later. If you do keep up with the material, many of you can do well in the course. Falling behind is, however, the surest way to make this class a difficult and unpleasant experience.

Policies

Academic Honesty: Academic honesty is expected. In fairness to the many students who work hard and put in an honest effort, those who cheat will be treated most harshly as to do otherwise would devalue all honest student's hard work. I encourage students to discuss economics and the class material together (outside of class) and to help each other in solving problems and coming to understand the material. In fact, you will find this class much easier if you form study groups. Nevertheless, work submitted for a grade must ultimately be the work of the individual student – not copied from another student or from any other source. It is my policy to assign a grade of zero for any homework, problem set, quiz or exam on which you cheat. I also pursue all appropriate disciplinary measures provided by Los Rios College District policies.

Drop Policy: If you decide to drop the class, you are responsible for doing so with the Registrar's Office. Do not assume that I will drop you as failing to officially drop the class will result in a grade of F.

Handouts and Return of Student Work: In the event that there are handouts, I will only hand them out once. If you miss class, you will need to get any handouts for that day off the web page or from a classmate. I also only bring exams or other student work for return once. If you are absent that day, you need to come to my office to pick up your work.

Talking in Class: Please don't talk to each other during class. If you have questions, ask me, not the student sitting next to you. Talking in class is rude and distracting, both to me and to other students.

Cell Phones, Pagers and Lap Top Computers: Turn off your cell phones and pagers or place them in silent mode. Do not read, respond to or send text messages during class. Due to the negative externalities they impose, lap top computers Tablet PCs, iPads, etc. are not allowed in class. **Students who are discovered to be engaging in any of these activities or using these devices will be asked to leave and will lose possible credit from quizzes or response papers for that day's class. Repeated violations may be deemed disruptive behavior in which case you will be dismissed from the class.**

Punctuality: Please do your best to arrive for class on time and plan on staying for the entire class session. If you must arrive late, do so as inconspicuously as possible. If you need to depart early for a specific reason, let me know before class starts. If you make a habit of leaving early though, I will ask that you not return.

Recording of Lectures: Audio and/or any kind of video recording of lectures is prohibited and is a violation of federal copyright laws unless you have a learning disability that requires such recording (see below). In the event you do have a learning disability requiring recording, all recordings must be used only by the person making them and must be destroyed at the end of the semester.

Selling or Posting of Notes: It is a violation of state law for you to either sell or publicly post lecture notes from my class. You are encouraged to freely (that means without monetary compensation) share notes amongst yourselves. You may not in any way profit financially from notes taken in my class though nor may you publicly post them on any web site.

Accommodations for students with disabilities: If you have a disability and require accommodations, you need to provide appropriate documentation from the College as soon as possible.

Tentative Schedule of Readings and Assignments

The readings on this schedule are tentative and subject to change. I also may add a number of short readings as I come across new material that is relevant to the class. Any additional readings will be distributed in class or via email. Any other changes will be announce in class and via email with and a new schedule will be posted on the course web page if appropriate. The exam dates and due dates for the problem sets are firm though and will not be changed. Please not the reading assignments carefully. All assigned readings are to be completed prior to coming to class on the indicated dates. All assigned readings may be included on the exams.

I. Basic Tools and Introduction to Economics

Lect.	Date	Topics	Assignment
1	1/18/17	Introduction to the Class and Basic Economic Concepts; Economic Theories and Models	B&B, Chapter 1, pp. 3-12
2	1/23/17	Review of Graphs and Graphing; Algebra Review; Brief Overview of the U.S. Economy	B&B, Chapter 1 Appendix, pp. 12-16 and Chapter 2
3	1/25/17	Scarcity and Choice: The Production Possibilities Model; Economic Efficiency	B&B, Chapter 3
4	1/30/17	Basics of Supply and Demand	B&B, Chapter 4, pp. 55-64 Problem Set 1 Due
5	2/1/17	Equilibrium and Algebra of Supply and Demand	B&B, Chapter 4, pp. 64-69 and Handout on Algebra of Supply and Demand

II.A. Macroeconomics: Policy Goals, Data and Measurement – Part I

6	2/6/17	Macroeconomics, GDP, The Circular Flow and National Income Accounting; Brief Overview of Macro History	B&B, Chapter 5, pp. 81-89
7	2/8/17	National Income Accounting Continued	B&B, Chapter 8, Appendix, pp. 162-167 Problem Set 2 Due

Monday, February 13, 2017	First Short Test (Covers Lectures 1-7 with greatest emphasis on 1-6)
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II.B. Macroeconomic Policy Goals, Data and Measurement – Part II

8	2/15/17	The Goals of Macroeconomic Policy: The Aggregate Production Function and Economic Growth	B&B, Chapter 6, pp. 101-107 and Chapter 7
	2/20/17	Holiday – No Class	
9	2/22/17	Measurements and Costs of Unemployment	B&B, Chapter 6, pp.107-112
10	2/27/17	Inflation: Causes and Consequences	B&B, Chapter 6, pp.113-121
11	3/1/17	Inflation: Measurement	B&B, Chapter 6, Appendix, pp. 122-125 Problem Set 3 Due

III.A. Aggregate Demand – Part I

12	3/6/17	Consumer Spending and Consumption; A First Look at Investment and Net Exports	B&B, Chapter 8
13	3/8/17	Demand Side Equilibrium and the Keynesian Cross; The Aggregate Demand Curve;	B&B, Chapter 9, pp. 169-179 Problem Set 4 Due

Monday, March 13, 2017	Second Short Test (Covers Lectures 7-13 with greatest emphasis on 7-12)
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III.B. Aggregate Demand – Part II

14	3/15/17	The Multiplier; The Algebra of Demand Side Equilibrium	B&B, Chapter 9, pp. 179-186, Chapter 9 Appendix A, pp. 188-189
15	3/20/17	The Multiplier Continued: Variable Imports	B&B, Chapter 9, pp. Appendix , pp. 190-192

IV. Aggregate Supply and Equilibrium

16	3/22/17	Labor Markets: The Foundation of Aggregate Supply	B&B, Chapter 10, pp. 193-198 and Handout on Labor Markets and Potential Output Problem Set 5 Due
17	3/27/17	The Aggregate Supply Curve and Equilibrium; Inflationary and Recessionary Gaps and “Automatic” Adjustment	B&B, Chapter 10, pp. 198-212

V. Fiscal Policy

18	3/29/17	The Need for Policy: A Brief Overview of a Volatile Economy; Fiscal Policy	B&B Chapter 5, pp. 89-98 and Chapter 11, pp. 215-228
19	4/3/17	Fiscal Policy: Multipliers Revisited Budget Deficits	B&B Chapter 11, Appendix A and Appendix B, pp. 228-234 and Chapter 16 Problem Set 6 Due

Wednesday, April 5, 2017	Third Short Test (Covers Lectures 13-19 with greatest emphasis on 13-18)
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	4/10/17	Spring Break – No Class	
	4/12/17	Spring Break – No Class	

VI. Monetary Policy

20	4/17/17	Money, Banks and Money Creation	B&B, Chapter 12
21	4/19/17	The Fed and Monetary Policy	B&B, Chapter 13, pp. 259-268
22	4/24/17	The Fed and Monetary Policy Continued	B&B, Chapter 13, pp. 268-278
23	4/26/17	The 2008 Financial Crisis	B&B, Chapter 14 Problem Set 7 Due
24	5/1/17	Policy Mix and the Inflation-Output Tradeoff	B&B, Chapter 15 and Chapter 17, pp. 335-346

VII. International Macro

25	5/3/17	The International Monetary system	B&B, Chapter 19
26	5/8/17	Exchange Rates and the Macroeconomy	B&B, Chapter 20 Problem Set 8 Due

Wednesday, May 10, 2017	Fourth Short Test (Covers Lectures 19-26 with greatest emphasis on 19-25)
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Monday, May 15, 2017 8:00 a.m. – 10:00 a.m.	Comprehensive Final Examination (Covers Lectures 1-26)
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