

ECON 202 Principals of Macroeconomics Course Information

5118 Winter 2011

Instructor: Erica Clower

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Course Meetings: T,Th 12:30 – 2:40 PM

Course Location: A208

Office location: D 200E

Office Hours: T, Th 3-4 PM

Course Outcomes

- Correctly identify reliable sources and be able to calculate the primary summary statistics used to evaluate macroeconomic performance: real GDP, unemployment rates, inflation measures, labor productivity, money measures, interest rates, and the federal budget position. Have the ability to read and interpret the reasonableness of these data as presented in charts and tables.
- Understand the key components (consumption, investment, government expenditures and net trade) of GDP for an open, mixed economy and how these relate to the flow of resources, national income and goods through an economy.
- Identify and describe the processes a central bank uses to implement monetary policies
- Identify and describe the components of fiscal policy as enacted by the federal government
- Evaluate policies, within different time horizons, for their influence on business cycles, long-run growth, productivity and for various responses to external shocks to the economic system (growth and stability)
- Understand how the internationalization of our economy has changed the outcomes and choices of our domestic economy (including exchange rates, trade in goods and factors)

In addition, students may be introduced to a subset of the following:

- Explain the evolution of US capitalism from the Great Depression to the present and identify the major events that contributed to shifts in economic policy.
- Role of expectations, risk and uncertainty in modifying outcomes of actions, especially with respect to consumption and tax policies
- Short-term trade-offs of Phillips curve, Okun's and Gresham's Laws, and Taylor Rule
- An awareness of the competing macro theories and models
- A comparison of summary statistics with other countries' performance
- A discussion of how such measures, outcomes, and policies would be adjusted for lesser-developed countries

Course Description

This course is designed to study the macroeconomy. We will examine why the economy fluctuates, how the nation's economic output is measured, what determines the rate of unemployment, and what determines the rate of inflation. We will learn about economic instability and crisis, and analyze the fiscal and monetary policy tools that can be used to help stabilize the economy. We will also look at the factors that determine long-term growth. We will question the federal budget deficit and why it has risen. We will also study trade policies, trade imbalances, the trade deficit, and fluctuations in the value of currencies. We will learn about the major institutions involved in the economy, and the historical context that shaped the

economy of today. We will explore the different perspectives from which macroeconomic theory and policy has been formulated, to gain a better understanding of the macroeconomy and become better able to critically evaluate economic events and policies.

Grading

Homework Assignments (4 total): 30%
Attendance and Participation: 10%
First Exam: 30%
Second Exam: 30%
Total: 100%

TENTATIVE Midterm Exam Date: Tuesday, February 8th

TENTATIVE Second Exam Date: Thursday, March 17th

Homework Assignments:

Problem sets will be assigned every two weeks. You will have two weeks to complete each assignment. Some important policies to be aware of:

1. **Absolutely no late assignments will be accepted.**
2. You may work in groups of **UP TO THREE**. Each group needs to turn in only one assignment.
3. Assignments DO NOT have to be typed but should be neat and legible.

Make-Up Exams:

I do not provide make-up exams. If you miss an exam you will receive a zero unless you have a documented emergency. If you have a documented emergency the score from the other exam will contribute to your final grade as both exam scores. Hence the exam you do not miss will make-up 60% of your final score.

Final Grades:

Bellevue College utilizes a consistent, published letter grading system to reflect the student's achievements. For students who do not wish to take a course for a letter grade, an optional Pass/Fail grading system is available, as is the option to audit a course. The student is responsible for initiating the removal of an incomplete grade or for correcting a grade he or she believes is incorrect. Students who have received a "D" or "F" in a course have the right, under certain circumstances, to repeat the course.

The link to the College Grading Policy is located on page 10 of the Course Catalog and also on the web at:

http://bellevuecollege.edu/policies/3/3000_grading.asp

Required Text

Required: Krugman, P. and Wells, R., *Macroeconomics*, 2nd edition, Worth Publishers, 2009.

ISBN: 978-0-7167-7161-6.

Supplementary materials (such as a student study guide) are available for free on the website, at:

http://bcs.worthpublishers.com/krugmanwells_macro2/default.asp?s=&n=&i=&v=&o=&ns=0&uid=0&rau=0

Affirmation of Inclusion

Bellevue College is committed to maintaining an environment in which every member of the campus community feels welcome to participate in the life of the college, free from harassment and discrimination.

We value our different backgrounds at Bellevue College, and students, faculty, staff members, and administrators are to treat one another with dignity and respect. <http://bellevuecollege.edu/about/goals/inclusion.asp>

Student Code

“Cheating, stealing and plagiarizing (using the ideas or words of another as one’s own without crediting the source) and inappropriate/disruptive classroom behavior are violations of the Student Code of Conduct at Bellevue College. Examples of unacceptable behavior include, but are not limited to: talking out of turn, arriving late or leaving early without a valid reason, allowing cell phones/pagers to ring, and inappropriate behavior toward the instructor or classmates. The instructor can refer any violation of the Student Code of Conduct to the Vice President of Student Services for possible probation or suspension from Bellevue College. Specific student rights, responsibilities and appeal procedures are listed in the Student Code of Conduct, available in the office of the Vice President of Student Services.” The Student Code, Policy 2050, in its entirety is located at: http://bellevuecollege.edu/policies/2/2050_Student_Code.asp

Preventing Plagiarism: Plagiarism is a form of academic dishonesty occurring when students use information or material from outside sources and do not properly cite those sources. This is grounds for disciplinary action. It is your responsibility to understand plagiarism and its consequences. Plagiarism occurs if:

- a. You do not cite quotations and/or attribute borrowed ideas.
- b. You fail to enclose borrowed language in quotation marks.
- c. You do not write summaries and paraphrases in his/her own words and/or doesn’t document his/her source.
- d. You turn in work created by another person.
- e. You submit or use your own prior work for a current or past course, or work from one current course in another course *without express permission* from your professors. This may also be considered academic dishonesty.
- f. Consequences: If it is determined that you have plagiarized or engaged in other forms of academic dishonesty, you will likely fail the assignment and possibly the course, despite points earned through other work. Acts of academic dishonesty are reviewed for disciplinary action.

For more information: <http://bellevuecollege.edu/writinglab/Plagiarism.html>

Important Links

Bellevue College E-mail and access to MyBC

All students registered for classes at Bellevue College are entitled to a network and e-mail account. Your student network account can be used to access your student e-mail, log in to computers in labs and classrooms, connect to the BC wireless network and log in to MyBC. To create your account, go to: <https://bellevuecollege.edu/sam>.

BC offers a wide variety of computer and learning labs to enhance learning and student success. Find current campus locations for all student labs by visiting the [Computing Services website](#).

Disability Resource Center (DRC)

The Disability Resource Center serves students with a wide array of learning challenges and disabilities. If you are a student who has a disability or learning challenge for which you have documentation or have seen someone for treatment and if you feel you may need accommodations in order to be successful in college, please contact us as soon as possible.

If you are a person who requires assistance in case of an emergency situation, such as a fire, earthquake, etc, please meet with your individual instructors to develop a safety plan within the first week of the quarter.

The DRC office is located in B 132 or you can call our reception desk at 425.564.2498. Deaf students can reach us by video phone at 425-440-2025 or by TTY at 425-564-4110. . . . Please visit our website for application information into our program and other helpful links at www.bellevuecollege.edu/drc

Public Safety

The Bellevue College (BC) Public Safety Department’s well trained and courteous non-commissioned staff provides personal

safety, security, crime prevention, preliminary investigations, and other services to the campus community, 24 hours per day, 7 days per week. Their phone number is 425.564.2400. The Public Safety website is your one-stop resource for campus emergency preparedness information, campus closure announcements and critical information in the event of an emergency. Public Safety is located in K100 and on the web at: <http://bellevuecollege.edu/publicsafety/>

Academic Calendar

The Bellevue College Academic Calendar is separated into two calendars. They provide information about holidays, closures and important enrollment dates such as the finals schedule.

- Enrollment Calendar - <http://bellevuecollege.edu/enrollment/calendar/deadlines/>. On this calendar you will find admissions and registration dates and important dates for withdrawing and receiving tuition refunds.
- College Calendar - <http://bellevuecollege.edu/enrollment/calendar/holidays/0910.asp>. This calendar gives you the year at a glance and includes college holidays, scheduled closures, quarter end and start dates, and final exam dates.

TENTATIVE COURSE OUTLINE

Week	Topic	Required Readings
1 1/3	Introduction to Macroeconomics and the Economic Perspective; Supply and Demand and Market Equilibrium	Chapter One –Chapter Four
2 1/10	<i>Introduction to Macroeconomics:</i> Macroeconomic Topics and Tracking the Macroeconomy	Chapter Six and Chapter Seven
3 1/17 Problem Set One Due Tuesday 1/18	<i>Introduction to Macroeconomics:</i> Unemployment and Inflation Long-run economic growth	Chapter Eight and Chapter Nine
4 1/24	<i>Long-Run Economic Growth:</i> Savings, Investment Spending, and the Financial System	Chapter Ten
5 1/31 Problem Set Two Due Tuesday 2/1	<i>Short run economic fluctuations:</i> Income and Expenditure	Chapter Eleven
6 2/7 EXAM ONE Tuesday 2/8		
7 2/14	<i>Short run economic fluctuations:</i> Aggregate Demand and Aggregate Supply	Chapter Twelve
8 2/21 Problem Set Three Due Tuesday 2/15	<i>Stabilization Policy:</i> Fiscal Policy	Chapter Thirteen
9 2/28	<i>Stabilization Policy:</i> Money, Banking, and the Federal Reserve	Chapter Fourteen and Chapter Fifteen
10 3/7 <i>No Class on Tuesday, 3/8</i>	Inflation, Disinflation, and Deflation	Chapter Sixteen
11 3/14 Problem Set Four Due Tuesday 3/15 EXAM TWO THURSDAY 3/17	<i>REVIEW FOR SECOND EXAM:</i>	