

Bellevue Community College
Social Science Division

Economics 200: Macroeconomics

<http://econ.aplia.com/>

Winter Quarter 2008
Section E, item 5279
12:30-1:20 pm daily in B101

Instructor's Contact Information

Rebecca Tuttle Baldwin
Office: A100D
rbaldwin@bcc.ctc.edu

On campus Phone 425.564.2174
Division Fax 425.564.3108
Mailbox: Social Science Division, D110

Don't be shy about seeking me out...by email, within our class team time or during office hours. Scheduled office hours for winter quarter are at 10:30 am Mondays-Wednesday, and on Tuesdays and Thursdays from 1:30 pm until 2:20 pm. I am willing to meet at alternate times if prearranged or if I do not have another commitment. Students who make appointments will have priority over drop-ins. I often have committee meetings or other appointments (ie advising) in the afternoon and am generally not available after 3 pm.

Background on Content to Be Covered

"Right now, there's almost no subject sexier than economics--applied economics, global economics, economic theory or just the science of decision making.", according to Lev Grossman in the newsmagazine *Time* ("Chic-onomics", May 2007). "People are fascinated with applying the economic mode of reasoning to a wide variety of issues, and these forces are causing them to study economics more and more," says Lawrence H. Summers, former president of Harvard and former secretary of the Treasury. (as reported in the *Wall Street Journal*, "The Hot Major for Undergrads is Economics", pA11, July 5, 2005 by Jessica Vascellaro).

Economics is a social science. It studies the social problem of choice from a scientific viewpoint. This class is meant to be an introductory course to the fundamental theories, measures, terms, and concepts of macroeconomics. To fully appreciate the models we are building, we must be aware of some general economic principles that underlay both micro- and macroeconomics. If you have taken micro already some of the beginning sections will be a review but the material will become more macro-focused after the first week.

Scarcity is a fact of life. It forces trade-offs on everything we do, individually and collectively. In macroeconomics, we will focus on three different types of decision-makers: individual households (one or more people residing together), individual firms in the business sector and the government (primarily at the federal level). Most of the focus will be on the statistics relating to the US but in this era of globalization and interconnections, we will also use foreign data where appropriate.

What can we as ordinary citizens learn from basic macro theory? How does it apply to us? The class objectives are listed towards the end of this syllabus but we will explore this issue towards the beginning of class together.

Economics as a discipline loves data and thus needs many ways (models) to organize relationships among different variables. We will spend a lot of our focus on learning about them this quarter. As we encounter some of these measures and strive to figure out their value to us, let us also remember that economies aren't really just about numbers but about the collective actions and choices reflecting the value of people.

So each of us is a decision-maker facing choices but how do the larger macro or global forces constrain our choices or influence our options? Collectively we are the economy but each of us gets a different "hand of cards" with which to play.

Many people believe that one person (or one nation) can't win unless another is losing. Will we find evidence to support that in our exploration this quarter or is this another example of an unproven assertion that people "just know" like the belief many people hold in the US that the events of Sept 11, 2001 threw the country into a recession (it didn't as we were already in one that started in March of that year and ended shortly after 9/11).

In macro we will end up talking about money, income, jobs, trade and the role of the government versus the other sectors of our economy. I think that the sources of data and the general understanding of trends in the economic indicators can be of tremendous value to the average citizen thinking about buying a house, getting a job, paying taxes or looking to invest.

I encourage you to approach these concepts with an open and analytical mind rather than assuming you already know the inferences of many of these concepts. Many will seem familiar as the terms get tossed around constantly (e.g. inflation, unemployment, GDP, growth).

My summaries and powerpoint lectures will often broaden or build on the material provided in our text. Please look at all of them as complementary resources rather than substituting one for the other.

Requirements

Course Requirements

There are no required prerequisites for the economics portion of this course but 30 prior credits of college is **recommended** with the assumption the student has then obtained familiarity with the acceptable behaviors within a class environment, the resources available on campus, and the preliminaries in college-level writing and reasoning abilities.

APLIA Description (www.aplia.com):

Paul Romer, at Stanford University, who wanted to assist students in learning basic economics more readily, devised this site. Mathematics is often a good tool to help us build our critical thinking skills and in macro, we will be using and interpreting lots of data. Some of the first assignments are meant to review and refresh our basic math skills.

Aplia is the source of exercises to be used regularly throughout the quarter as well as the reference text (which is broken into shorter reading segments with active exercises). You should think of Aplia as both your textbook and graded homework assignments to be used in conjunction with the instructor's notes and other resources in class.

Students have full access from the beginning of the quarter in Aplia but have the option of waiting through the grace period to make payment (directly to Aplia). This gives students some flexibility in determining if they want to stay in the class or if they are waiting for financial aid before having to pay for the text access.

Required Text/Resources

The textbook we are using is: Macroeconomics by Krugman/Wells (online via Aplia). If you really prefer to do your reading from a hard copy of the text, then there are used copies available via Amazon and other sources. You will still need access to the online Aplia discussed above in order to do the graded exercises. Due dates for Aplia exercises are clearly marked for each assignment on the Aplia site. Aplia also allows you the option of purchasing a hard copy of the text.

Note that an online video will also be a part of the content of this course. It is called "Commanding Heights", can be found at www.pbs.org and here is the direct link:

<http://www.pbs.org/wgbh/commandingheights/>

Students' Responsibilities

Students are responsible for

- Reading and following instructions and questioning me at the beginning of an assignment if you find an instruction you don't understand
- Attending all scheduled classes, especially on team days.
- Notifying me and your teammates ahead of time if you're going to be absent. Work can be turned in early but not late.
- Knowing the schedule and deadlines for assignments, exams, the term paper and teamwork. Being responsible for your own learning and prep.
- Letting me know if you're having trouble with a course concept in a timely enough manner that I can help you address it.
- Obtaining and maintaining access to the Internet
- Coping with technology problems, including viruses, that involve your own machine or software
- Knowing BCC's policies on withdrawing and other quarterly commitments

I expect you to write ethically and do your own work. Plagiarism is more than just forgetting to put quotes around someone else's exact wording. Even if you paraphrase, you must give credit to the source; this allows you to incorporate the reasoning and evidence from that work into yours.

Instructor's Responsibilities

The instructor is responsible for

- ✓ Being in class
- ✓ Being accessible and responding to questions and concerns within a timely manner through office hours or email messages,
- ✓ Providing timely and relevant work to illustrate and supplement the readings
- ✓ Lecturing,
- ✓ Promptly returning comments and grades, and
- ✓ helping you to learn.

Course Schedule

There are 50 instructional days in this quarter spread across about 11 weeks. Think about your learning style, your productivity at different times and your other commitments. Know what has to be done and devise a schedule that allows you a reasonable chance of success. **Note deadlines and plan in order to meet them.** Most of the information is available to you shortly after the start of the quarter. It is so easy to fall behind or miss vital procedural information if you don't set yourself a regular schedule.

Week 1, starts January 2, 2008	Introduction of site Beginning of terms basic graphs, math review (Aplia) Formation of Teams Why do we care about macro?	Opportunity Cost Measures of Value, Happiness Choices we face How we measure "cost"	Associated Readings Part one (introduction, Chapter 1, Chapter 2 and Chapter 2 appendix)
Week 2	Big Picture Macro	Structure and characteristics of flow model. Definition and sources for key indicators	Chapters 6 and 7
Week 3	Long-Run Models	Productivity, growth, technology.	Chapter 7 completed. Begin Chapter 8
Week 4	Key Role of Savings for Investment	Implications for the US sectors of the economy.	Chapter 9
Week 5	Aggregate Supply- Demand Model (AS- AD)		Chapters 10 and 11
Week 6	Using AS-AD from previous chapters as we introduce Fiscal policy	Fiscal Policy	Chapter 12
Week 7	Application, Expansion and Modification of Model	Finish Fiscal, start banking background leading to Monetary	Chapter 13
Week 8	Paper Draft and Practice	Monetary Policy	Chapter 14
Week 9	Application,	The reality of the	Chapters 15-16

	Expansion and Modification of Model	“medium term”...tough trade-offs	
Week 10/11	Open Economy	International trade and other global issues,	Chapters 18-19
There are two assessments given in class. The first will be scheduled for sometime during Week 5 or 6. The second will be on March 17. The term paper can be completed at any time but can be turned in no later than the start of class on Tuesday, March 11, 2008..			

Grading Procedure

The overall grades you receive in this course are assessments of your performances on the required tasks this quarter. It can be argued that “any individual performance is a function of many variables,” and the variables are familiar: prerequisite knowledge, intellect, experience, effort on task, time on task, as well as other factors. (*Can you think of others?*)

In function notation this relationship can be described as:

Performance = f (prerequisite knowledge, intellect, experience, effort, time spent)

In this function or *model*, the input variables that you have control over throughout the quarter are the effort you make on your assignments and assessments and the time you put into preparing for these assignments and assessments; the other variables can change over longer periods of time, but are unlikely to vary dramatically in an 11-week quarter. Therefore, it is imperative that each of you evaluates the progress in your own performances throughout the quarter, and by doing so, create your own individual recipe for the “best” allocation of time and effort. It is always good to check in with the instructor if you are not sure how to evaluate your progress.

Your course grade will be determined by your performance on the following elements; each of which will be graded separately:

25% from the combined total from the end-of-the-chapter graded homework exercises in Aplia. I will drop the lowest two scores before calculating the percentage and only count the highest of the pre- and posttest math assessments. Students should be using the readings in Aplia with linked practice exercises and asking questions in discussions before doing the graded exercises—**which is really hard to do if you wait until the due day to start the readings!** These Aplia exercises are good ways to check your understanding and to review. You have access to your book while doing these exercises so grades should be relatively high in this area.

20% for the average from your team assignments given throughout the quarter on major topics covered (GDP and business cycles, the role of savings and investment, fiscal policy, monetary policy and trade). **None** of the grades will be dropped so it is important you come to class prepared to work on team days (generally Mondays). Each should be treated as an open-book/open-note collaborative assignment. I have expectations of quality writing in addition to correct answers and reasoning to questions raised in each assignment.

25% from one country-indicator comparison paper assignment (3-5 pages in length, in addition to graphs and charts), which is assigned at the beginning of the quarter. Elements of the instructor's rubrics to evaluate this paper will be posted on both our Vista and Aplia sites.

15% from one in-class exam on the definitions and types of performance indicators, given around the 5th week.

15% from one in-class exam on the integrated AS-AD model and the primary policy tools to be given on March 17.

If high grades indicate thorough understanding of concepts, meticulous preparation for incorporation of new ideas, mastery of the economics material, and overall success in the course, you might wonder.... "What concrete things can I do to be successful in this course?"

Be Proactive! Take Charge of Your Own Learning!

- ☐ Briefly review and reflect on your existing at the beginning of each session to reorient yourself to the topic.
- ☐ Ask yourself, both during your "study" time reviewing as well as during "class" time learning: "What are the connections between what I'm studying today and what we learned earlier this week or last week?"
- ☐ At the end of each study session, take a few minutes to look forward in your text or module, and ask yourself: "What are the connections between what I'm studying today and what we'll be learning next?"
- ☐ Look for connections between the material in class with areas that interest you, other classes and the world around you. Talk about these connections with your classmates and instructors. Involve yourself in the "ripped from the headlines" discussions throughout the quarter.
- ☐ Assess your own comprehension BEFORE any formal assessment takes place and allow yourself time to fill in any gaps. See your instructor for specific suggestions for self-assessment.
- ☐ **Practice and read in short (45-60 minutes), regular (daily or nearly so) sessions rather than attempting to "cram" (hours at a time, once a week), which is far less productive.**
- ☐ If you are unable to answer your own questions, GET HELP. Confusion does not disappear after you ignore it for awhile – it gets more firmly entrenched and your frustration level will increase, which is not typically considered desirable! Use the resources of this course (e.g. instructor, text, practice sets, web resources, fellow students) in ways that work for your learning style and your schedule.

Due dates are exactly that. Any assignment can be completed *earlier* but not after the deadline.

Please refer to pages 8-9 of the BCC Course Catalog for more detailed description of grades.

At the end of this syllabus are the general guidelines for the Social Science Division, of which economics is a program.

General Education Outcomes

BCC is committed to ensuring that graduates receive a comprehensive liberal arts education, including acquisition of essential skills and understanding of a range of intellectual perspectives. This foundation should help graduates build fulfilling and successful lives as individuals, workers, citizens, and life-long learners. This course will assist you in achieving a relatively high level of competency in two of the general education outcome areas: ***reasoning***, specifically critical thinking, creativity and problem solving and ***communication***, specifically writing.

Critical Thinking, Creativity, and Problem Solving

- ☐ Develops a lifelong habit of critical thinking about issues, and understands the value of authenticated information in any sort of analysis.
- ☐ Develops the ability to synthesize a range of responses to identified situations or problems, by invoking problem-solving processes that lead to creative and successful solutions.

Writing

- ☐ Writes clearly and effectively for varied audiences and purposes.

This class will thus be exposed to material and exercises in three primary areas: communications, economics and critical thinking. In addition, we will work on strengthening ancillary skills (organization, and basic math) that a student will need to continue as an analyst.

Course Outcomes

By the end of the quarter, students will be able to do the following:

- 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

PROCEDURES AND GUIDELINES OF THE SOCIAL SCIENCE DIVISION
Revised Winter 2006

Cheating, Stealing and Plagiarizing*

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 Community 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 Dean of Student Services for possible probation or suspension from Bellevue Community College. Specific student rights, responsibilities and appeal procedures are listed in the Student Code of Conduct, available in the office of the Dean of Student Services.

Incomplete

If a student fails to complete all the required work for a course, an instructor may assign the grade of Incomplete ("I"). The student must complete the coursework by the end of the next quarter, or receive the assigned letter grade (usually an "F").

F Grade

Students who fail a course will receive a letter grade of "F."

Final Examination Schedule

The Social Science Division will adhere to the final examination schedule as stated in the BCC Schedule. Final examinations will be held at the end of each quarter at fixed times. Instructors will not give examinations in advance of the regular schedule. A student who is absent from any examination held at any time during the quarter may forfeit the right to make up the examination. If, for illness or some other circumstance beyond the student's control, the student is unable to be present at any scheduled examination and has contacted the instructor on a timely basis, the student may be permitted to take such examination at a time designated by the instructor.

Withdrawal From Class

College policy states that students must formally withdraw from a class by the end of the seventh week of the quarter (Registration Office, B125). If a student has not withdrawn by that date, an appropriate letter grade will be assigned for the course.

Hardship Withdrawal

Instructors may assign the grade of "HW" (hardship withdrawal) at their discretion in the event that a student cannot complete the coursework due to extreme and exceptional circumstances. Students may also contact the Enrollment Services office BEFORE grades are assigned in cases of hardship.

Students Who Require Disability Accommodations:

Students with disabilities who have accommodation needs are encouraged to meet with the Disability Support Services (DSS) office located in B132 (telephone 425.564.2498 or TTY 425.564.4110), to establish their eligibility for accommodation. The DSS office will provide each eligible student with an accommodation letter. Students who require accommodation in class should review the DSS accommodation letter with each instructor during the first week of the quarter.

Students with mobility challenges who may need assistance in case of an emergency situation or evacuation should register with Disability Support Services, and review those needs with the instructor as well.

Distribution of Grades

Grades will not be posted in the Social Science Division or in faculty offices, and secretaries will not give out grades. Students should access their grades through the BCC Web site.

Return of Papers and Tests

Paper and/or Scantron score sheet returns will be arranged in the following ways ONLY: by mail, if student supplies the instructor with stamped, self-addressed envelope (with appropriate postage); or by the instructor designating a time and place whereby the student may retrieve his/her papers. Unclaimed papers and/or Scantron score sheets must be kept by the instructor for a minimum of sixty (60) instructional days following the end of the quarter.

*If you are accused of cheating, stealing exams and/or plagiarism, there is a Bellevue Community College Student Discipline and Appeals Procedure (the right to due process) which you may pursue. Contact the office of Division Chair (A251), the Dean of Student Services (B231A) or the Associated Student Body (C212) for information regarding the appeals process.