**Economics 111 - Principles of Macroeconomics – Spring 2020**

**Dr. Claudio Paiva**

Lectures: WF 9:00 am – 10:15 am. Final Exam: May 20, 8:00 am – 10:00 am

Office Hours: W 7:50 am – 8:50 am; F 12 pm – 2 pm; and by appointment

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**Catalog Course Description**

Study of the workings of the economy. Topics include national income accounting, business cycles, employment and unemployment, inflation, economic growth, financial institutions, fiscal and monetary policy, and international trade. Required Textbook: Hubbard & O’Brien – Macroeconomics (4th edition).

## Program Learning Goals

These are the skills we try to help you build in all MVS courses:

1. Critical Thinking

2. Oral Communication

3. Written Communication

4. Collaboration

5. Conduct (Ethics)

6. Competency in Discipline

**Official Course Learning Objectives**

Students who successfully complete this course will be able to:

* Explain the workings of the national economy (L1, L3, L6)
* Describe and apply the scientific method to economic behavior (L1, L2, L3, L6)
* Interpret aggregate measures of economic activity (L1, L6)
* Describe the problems of unemployment and inflation (L3, L6)
* Evaluate the costs and benefits of alternative forms of public policy (L1, L2, L6)

In addition, as a General Education course, this course also seeks to:

* Foster an ability to think clearly and logically (L1);
* Prepare students to find and critically examine information (L1);
* Communicate at an appropriate level in both oral and written forms (L2, L3);
* Acquaint students with the physical universe and its life forms and to impart an understanding of scientific methodology and of mathematical concepts and quantitative reasoning (L1, L6);
* Cultivate through the study of philosophy, literature, languages, and the arts-intellect, imagination, sensibility, and sensitivity,
* Deal with human social, political, and economic institutions and their historical backgrounds, with human Behavior and the principles of social interaction (L1, L6), and
* Integrate their knowledge by forming an interdisciplinary and insightful approach to learning (L1, L6).

**How I view, design, and teach this course**

This course is taught at the high level necessary for you to understand key current economic issues and the impact that macroeconomic events and policies have on businesses, the result of presidential elections, and people’s standards of living everywhere in the World.

The global economy is extremely competitive. Countries compete for investment, businesses compete for customers and resources, and people compete for jobs. Companies decide where they produce and whom they hire partially based on workers’ skills. Billions of people in developing countries are becoming better trained and more educated every day, while we hear many stories about the decline of the US education system. My general goal here is to do my part and teach you a course that is as good as any macroeconomic principles course taken by those who will compete with you for jobs or a place in graduate school.

I believe my main role as a professor is to (i) help you think through the material, leading you to understand and form a critical view on macroeconomic developments and policies; (ii) to provide extra help with any of the high school pre-requisite material needed to do well in this course, rather than take the easy way out, ignore deficiencies, and lower the standards (which would not help you compete for those good jobs or graduate school spots). Hence, you should expect this course to require more work than you are accustomed to put into your classes; it certainly requires a lot more work from me. But I believe it is the right thing to do. Lowering the standards would be easier for us, but would also leave you unprepared for the job market and erode the value of a CSUCI degree for all students – former and future.

The textbook provides the foundation for the course. However, my lectures and assignments will also make extensive use of current and past economic, political, and social events as reported or discussed in reputable media outlets (the Wall Street Journal, The New York Times, The Economist, etc.). These events may be discussed in class and/or provide context for exam questions.

My main goal is to give you the basic tools to understand, analyze, and form a critical opinion about the main economic issues of our time. In many instances we will also discuss the links between economics, policies, politics, and social issues. The skills acquired during the course will be (and I guarantee this – look at my story coming from a low-income family in the middle of nowhere in Brazil to become someone who has taught macroecononomic policy to government officials from over 80 countries, including PhDs from Stanford, Harvard, and other Ivy-League schools).

**What should you do to succeed in this course?**

1. *Think and Connect –* Memorization and citations will not get you very far. You are expected to know how economic developments relate to each other, why economic variables move up or down, what these movements imply for economic performance, and how policy actions affect all this. Therefore, whether you are reading the textbook, studying for an exam, or attending my lectures, make sure you ask and understand “why”, make sure you ask and understand “how.” Connect the material to real-world developments and debate. This is the kind of learning that will get you far in the course (i.e., grades) and in life (i.e., impressing the people who will hire and promote you).
2. *Come to Class* *–* I do not take attendance: I believe in freedom of choice and personal responsibility. But if you remember that the course will be taught at a high level, you will probably arrive at the conclusion that coming to class is important.
3. *Don’t Just Show Up; Focus and Participate During Lecture* *–*  Make sure you really follow the discussion, understand each and every step taken to arrive at a certain conclusion, and take notes about the main discussion points (if you like taking notes). I see many students copying only what I put on the PowerPoint slides and what I scribble on the whiteboard. That is not very useful: first, because I post all my slides on Blackboard; second, what I write on the white board does not mean much if you do not put it in context (and context is given by the discussion during class time).
4. *Take good notes summarizing my explanations and the class discussions* *–* For instance: students who think it is sufficient to memorize that “an increase in interest rates may reduce economic growth” will not do well in the course. Students who make sure to understand the channels through which interest rates may affect growth are likely to do much better. Sometimes I will only write on my slides that “an increase in interest rates may reduce economic growth.” Everything else will come out during my explanation and our class discussions. You are then expected to follow, understand, and summarize the discussion in your notes. Learning how to effectively follow a discussion, extract what is important, and arrange the main points in a logic sequence is an extremely valuable skill, perhaps even more valuable than specific course subjects.
5. *Read the Book* *–* The textbook is an extremely valuable source of information. You are expected to read every chapter covered in class – do not wait for specific reading assignments. My former students mentioned that reading the chapter before it is covered in class is very helpful.
6. *Do the work –* several assignments will be posted throughout the course. Some assignments are mandatory and will directly affect your grade. Other suggested assignments will not need to be turned in but are important to make sure you understand the material and its real world implications. Come discuss your answers with me or with the Econ tutor at the library.
7. *Read or watch (real) news* *–* and by adding “real” I intend to exclude *Extra; E!News*, and other similar sources (as fun as they may be). This course will be very much related to current events and economic issues. Try to test your knowledge as you watch/read the news: see if you can understand the issues and connect the arguments; come discuss them with me or mention them in class.
8. *Don’t Fall Behind*: Topics are highly interconnected, probably more so than in other courses. Make use of office hours, class discussions, or request a special appointment to clarify any questions you may have.

## How will you be graded?

Read-Ahead and Regular Quizzes = 15% (your 3 lowest quiz scores will be dropped)

Exam 1 = 15% Exam 2 = 20% Final Exam = 30% Country Research (PowerPoint) = 20%

The final course grade is based on the percentage of total points earned throughout the semester calculated as the ratio of the weighted sum of all points earned to the weighted sum of all points possible. You should expect your grade to follow these guidelines:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  A+ ≥ 97 |  B+ ≥ 87 |  C+ ≥ 77 |  D+ ≥ 67 | 60 > F |
| 97 > A ≥ 94 | 87 > B ≥ 84 | 77 > C ≥ 74 | 67 > D ≥ 64 |  |
| 94 > A- ≥ 90 | 84 > B- ≥ 80 | 74 > C- ≥ 70 | 64 > D- ≥ 60 |  |

Let me emphasize that I want you to learn, and I will be glad to provide you with extra help if needed: please don't hesitate to drop by during office hours. In addition, I strongly recommend you make use of the excellent economics tutors available at the library: call or visit the tutoring center for their schedule.

**What will the exams be like?**

The exams in this course are designed to challenge your ability to apply the tools of economics and analyze real world problems. Memorizing concepts and definitions will not get you very far. Many questions may require you to read an excerpt from a recent news article, explain the economic reasoning behind it, identify problems and suggest solutions using the theory and concepts covered in the course. In addition to proper application of the analytical techniques (and extensive use of graphs), careful explanations in clear and concise written English are essential. Some questions will also require the use of math.

**What will the “read-ahead” quizzes be like?**

You are expected to read each textbook chapter before we discuss them in class. The weekly “read-ahead” quizzes at the beginning of the course are designed to test your initial reading and comprehension of the basic economic definitions, tools, and concepts in each chapter. I strongly suggest that you do the reading early enough to allow you to use my office hours or the tutors’ office hours before the quiz. Later in the semester, when the material becomes more analytical, the quizzes will take place after our preliminary discussion of the material in class. Your three lowest quiz scores will be dropped.

## Rules for quizzes and exams

No phones, computers, I-pads, I-pods or similar gadgets with wi-fi or internet connection are allowed during quizzes and exams. You may bring a simple algebra calculator (recommended). You must bring a green scantron to every quiz and a pink scantron to every exam. THERE WILL BE NO MAKE UP QUIZZES OR EXAMS.

**Country Research**

Working in groups of 2 or 3 students, your presentation should compare the performances of two countries in one of the following major macroeconomic issues: economic growth, inflation, and unemployment. You should compare the performances, analyze the reasons why they are different (or similar), and evaluate their impact on the overall economy. It is crucial that you identify a comparative hypothesis (the cornerstone of your research findings) right at the beginning of your PowerPoint and use the subsequent slides to support that hypothesis with the appropriate economic arguments, theory, and relevant country data. Avoid including things you read in other reports but cannot explain the meaning or connect to your hypothesis.

We will define the research issue and the countries of study for each group during the first few weeks of class. You will not have to present your work in class. Your grade will be based on the PowerPoint you prepare. The PowerPoint should have no more than 10 slides.

I will grade your presentation looking for a skillful application of the analytical tools covered in the course as well as critical and original thinking. The PowerPoint slides should be sent to me attached to an e-mail before 11:59 pm on May 15. I will be glad to offer detailed feedback on early drafts submitted before May3.

Remember: gathering information will not earn you many points (anyone can Google, copy and paste!). You score points for clearly stating and effectively defending a comparative hypothesis with the use of well-crafted arguments and data analyses. Discussing your ideas with me during the semester is “fair game” and strongly recommended. I know some of you think of the presentation as an “easy grade.” DO NOT count on it. Check your work with me on a regular basis so we can correct mistakes ahead of the deadline.

**Practice Problems**

The textbook has several review questions and exercises at the end of the chapter. In addition, I will prepare and post problem sets after each major block of material. You do not have to turn them in and they will not be graded - it is your personal choice and responsibility to work on them. HOWEVER, I find it very unlikely that you will do well in the course without working through these problems. Please come to my office hours or visit one of the tutors and we will be glad to review your answers with you.

**Academic Honesty**

*1. Academic dishonesty includes such things as cheating, inventing false information or citations, plagiarism and helping someone else commit an act of academic dishonesty. It usually involves an attempt by a student to show possession of a level of knowledge or skill that he/she does not possess.*

*2. Course instructors have the initial responsibility for detecting and dealing with academic dishonesty. Instructors who believe that an act of academic dishonesty has occurred are obligated to discuss the matter with the student(s) involved. Instructors should possess reasonable evidence of academic dishonesty. However, if circumstances prevent consultation with student(s), instructors may take whatever action (subject to student appeal) they deem appropriate.*

*3. Instructors who are convinced by the evidence that a student is guilty of academic dishonesty shall assign an appropriate academic penalty. If the instructors believe that the academic dishonesty reflects on the student's academic performance or the academic integrity in a course, the student's grade should be adversely affected. Suggested guidelines for appropriate actions are: an oral reprimand in cases where there is reasonable doubt that the student knew his/her action constituted academic dishonesty; a failing grade on the particular paper, project or examination where the act of dishonesty was unpremeditated, or where there were significant mitigating circumstances; a failing grade in the course where the dishonesty was premeditated or planned. The instructors will file incident reports with the Vice Presidents for Academic Affairs and for Student Affairs or their designees. These reports shall include a description of the alleged incident of academic dishonesty, any relevant documentation, and any recommendations for action that he/she deems appropriate.*

*4. The Vice President for Student Affairs shall maintain an Academic Dishonesty File of all cases of academic dishonesty with the appropriate documentation.*

*5. Student may appeal any actions taken on charges of academic dishonesty to the "Academic Appeals Board."*

*6. The Academic Appeals Board shall consist of faculty and at least one student.*

*7. Individuals may not participate as members of the Academic Appeals Board if they are participants in an appeal.*

*8. The decision of the Academic Appeals Board will be forwarded to the President of CSU Channel Islands, whose decision is final.*

# Disability Accommodations:

# *Cal State Channel Islands is committed to equal educational opportunities for qualified students with disabilities in compliance with Section 504 of the Federal Rehabilitation Act of 1973 and the Americans with Disabilities Act (ADA) of 1990. The mission of Disability Accommodation Services is to assist students with disabilities to realize their academic and personal potential. Students with physical, learning, or other disabilities are encouraged to contact the Disability Accommodation Services office at (805) 437-8510 for personal assistance and accommodations.*

**Preferred Pronouns**

I will gladly honor your request to address you by an alternate/preferred name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records. You may also update your pronouns or preferred name in myCI Student Center. Visit, <https://www.csuci.edu/registrar/preferred-name.htm> for instructions.

**Notice:** Information contained in this syllabus, other than that mandated by the University, may be subject to change with advance notice, as deemed appropriate by the instructor.