Fall 2014 Economics 111 Syllabus
Introductory Macroeconomics
California State University, Channel Islands
Instructor: Z. John Lu, PhD

Office: Sage Hall 2152
E-mail: john.lu@csuci.edu
Office hours: M/W 10:00 - 11:00 am, and M 3:15 - 4:15 pm.

Class time: M/W 4:30 – 5:45 pm
Class location: Bell Tower 1494
In-class exam 1: September 22 (Monday)
In-class exam 2: October 20 (Monday)
In-class exam 3: November 17 (Monday)
Final exam: Wednesday, December 10, 4:00 – 6:00 pm

Course website: http://blackboard.csuci.edu

Chapters Covered: Chapter 1, 3, 5, 7 – 12, 14 - 16, and 18.

Grading System

Your grade for the course is based on 4 quizzes (3 best scores will be used), 3 in-class exams, and the Final in the following way:

<table>
<thead>
<tr>
<th>Task</th>
<th>Percent of grade (weight)</th>
</tr>
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<tbody>
<tr>
<td>Four Quizzes (3 best scores used)</td>
<td>24 (8% each)</td>
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<tr>
<td>Three In-class exams</td>
<td>45% (15% each)</td>
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<tr>
<td>Final exam</td>
<td>30%</td>
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<tr>
<td>Class Participation</td>
<td>1-2%</td>
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The following is a general guideline for determining the final course grade, based on the sum of the weighted percentage from each of the items above:

If total weighted sum is

<table>
<thead>
<tr>
<th>Likely final grade is</th>
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<tbody>
<tr>
<td>&lt; 60%</td>
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<tr>
<td>60% to &lt; 70%</td>
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<tr>
<td>70% to &lt; 80%</td>
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<tr>
<td>80% to &lt; 90%</td>
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<tr>
<td>90% and above</td>
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F
D
C
B
A

Note that +/- grades are allowed in this course. Also, although class attendance and participation is not mandatory (unless specifically noted ahead of time), consistent attendance and class participation can help your grade if you are on the borderline between two grades. For example, if you are at the cutoff between
a B-/C+, regular class participation may boost your grade to a B- relative to someone who does not attend or participate regularly.

Course Overview and Objectives

Macroeconomics is a branch of economics that deals with the aggregate performance, structure, and behavior of a national or regional economy. Macroeconomists develop theories, models, and other measurement tools to examine, explain, and predict the complex relationship between “macro-“ variables including gross national product, consumption and saving, investment and debt financing, unemployment and inflation, international trade, and factors driving short-run fluctuations in business activities and long-run economic growth. Understanding these macroeconomic tools is fundamental in evaluating policy alternatives, developing robust forecasting capabilities (in both private and government sectors), and becoming an informed citizen in the society. Our class time will include lecture and in-class discussion (including some current events). Lecture material will be based on the material from the textbook, so it is very important to read the text before or shortly after class.

Learning objectives:

Program Learning Goals: These are the skills we try to help all students build in all MVS courses
1. Critical Thinking
2. Oral Communication
3. Written Communication
5. Conduct (Ethics)
6. Competency in Discipline

Course Learning Outcomes: It is expected that you will complete this course understanding how and why economics is important, useful and relevant to everyday decisions in a wide variety of situations.

- Explain the workings of the national economy (corresponding to program learning goals 1 - 6)
- Describe and apply the scientific method to study various economic behavior (1-3, 4, 6)
- Interpret aggregate measures of economic activity (1, 6)
- Describe the problems of unemployment and inflation (1 - 6)
- Explain the theory of comparative advantage and articulate the benefits of open economy (1 - 6)
- Describe the workings of US financial industry, including the banks (1 - 6)
- Explain the foreign exchange market and exchange rates, and the balance of payments (1-3, 6)

Quizzes:

There are a total of 4 quizzes in this course, worth 24% of the grade. The quizzes are given at the beginning of lecture on the days they are scheduled. The exact dates for them are TBD at this moment, but the weeks are determined and provided at end of this syllabus.

The quizzes will include lecture materials and assigned readings in the textbook (not newspaper articles) covered in the preceding 2 weeks. They will include exclusively multiple choice and/or T/F type of questions. Each quiz will take about 20 minutes.
There will be no make-up quiz. If you miss one, you will receive a score of zero for that quiz - but I will drop one with the worst score in the final calculation.

Exams

There are 3 midterm exams (15% each) and a final exam (30%) in this course. They are scheduled 3-4 weeks apart. The exact dates are provided at beginning of the syllabus, on page 1.

The midterm exams are given during the 2nd half of the lecture, on the day they are scheduled. Each will take about 45 minutes. I will give a short lecture on the day of exam.

Mark the exam dates down on your calendar – make arrangement at work, home, or anywhere else so you will be able to make to all the exams. There will be NO make-up exams.

- You will be at an increased risk for failing the class if you miss one exam without an approved, valid excuse, and almost certainly if you miss two.
- Significant medical reason(s) for missing exam(s) would require a signed physician note with a phone number for me to follow up.
- Being under the weather is not a valid excuse.
- Car trouble on the day of exam is not a valid excuse. If you have an unreliable car, I suggest you find a classmate who could ride share with you.
- Work related travel, family vacation, or wedding is not a valid excuse, as I give you plenty of time to plan ahead.
- Students with valid reason(s) for missing an exam will see the weight double for the next exam increase. For example, if you miss Exam #2, your weight for Exam #3 will be 30% (15% from Exam #2 + 15% from Exam #3)

Each exam will cover materials covered from the last exam. The Final will be somewhat cumulative, but weighted more toward materials after Exam #2. Format of exams includes multiple choices, T/F matching, and short essay questions (in a 75% to 25% mix). It is important to note that at least some questions assigned as part of homework may appear in the exams as well. More on this in the next section.

Homework

I will assign a number of questions at the end of each chapter covered. This list of questions, in addition to reading the textbook, the PowerPoint slides (provided before lecture), and your notes, will constitute your homework packet.

I will not collect the homework, nor grade it. It is your personal choice and responsibility to work on these problems. Note that at least some of them may appear in the exams. Occasionally I may go over some of the assigned problems in class, during which time I will randomly call on you (or your group) to provide your answers to the class.

You are strongly encouraged to collaborate by working in groups of 2-3 students on these problems, and the “official” solutions will be provided periodically (before each exam). Come to my office hours or go to the tutors in the library for help if needed, but do so in a timely way – do not cram right before the exam. Checking with online resources is completely ok and encouraged. Remember: It is unlikely that you will pass this class without working through the homework packet.
Success Factors

- **Read the Book:** For this course, the text will be the most valuable source of information and clarification. Ideally, read it before lecture and read it again afterwards. You will learn faster and deeper this way.

- **Attend the Lectures:** Attendance is expected. Although lecture notes (PowerPoint slides) will be posted online, they can never take the place of active, in-classroom learning. Missing class means missing valuable discussion, clarification, solving example questions, and information regarding assignments.

- **Do the Work:** Like anything else in life, *Practice Makes Perfect.* "Practice" means reading the assigned chapters completely, working out the assigned questions diligently, and seeking timely help from the instructor, the tutors or classmates.

- **Observe the Real World:** Read the business sections of the *Los Angeles Times, the New York Times,* or other leading national newspapers. Want more challenging readings? Read the *Wall Street Journal and the Economist.* All are available at the library.

Academic Honesty

- In accordance with the CSU Channel Islands policy on academic dishonesty, students in this course who submit the work of others as their own (plagiarize), cheat on tests or examinations, help other students cheat or plagiarize, or commit other acts of academic dishonesty will receive appropriate academic penalties, up to and including failing the course.

- *Assignments or papers with plagiarized language or ideas will receive a failing grade.*

- *Plagiarism or cheating on quizzes or exams will automatically result in a failing grade if the cheating or plagiarism was premeditated or planned – please don’t tempt me.*

- Students are encouraged to consult with the instructor on when and how to document sources if they have questions about what might constitute an act of plagiarism or cheating.

Other Classroom Policies

- Be respectful of your teacher and fellow students: do not chat in class.

- Please turn off your cell phones in class.

- Do not watch video or surf the net in class.

- Do not do work for other classes – if you have a crunch timeline for other classes, I would rather you stay in the library/home and finish instead of just showing up for the sake of keeping a good attendance rate. Doing work for other classes while in attendance is worse than not showing up.

- Do not be afraid of asking or answering questions. Nobody has a monopoly in knowledge, and we are all in this learning together.

- Regular class participation (NOT just showing up) can help your grade if you are on the borderline between two grades. For example, if you are at the cutoff between a B-/C+, regular class participation may boost your grade to a B- relative to someone who does not attend or participate regularly.
Detailed Topics and Schedules *(subject to change at any time during the semester)*.

<table>
<thead>
<tr>
<th>Weeks of</th>
<th>Lecture topic</th>
<th>Textbook Reading</th>
<th>Assigned Problems for HW; Exam or Quiz dates</th>
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<tbody>
<tr>
<td>08/25, 9/1</td>
<td>Preview of course; Introduction to Economics; The interaction of demand and supply; No class on 9/1 – Labor Day!</td>
<td>Chapter 1, 3</td>
<td>Problems and Applications (PA): 1.4, 1.5, 1.6, 1.8, and 1.10 (Chap 1); Problems and Applications (PA): 1.8, 2.6, 3.5, 3.8, 4.5, 4.12, and 4.15 (Chap 3)</td>
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<tr>
<td>09/08, 09/15</td>
<td>The Economics of Health Care; Comparative Advantage and Trade</td>
<td>Chapter 5, 7</td>
<td>Quiz 1 during week of 09/08; PA (Chap 5): 1.6, 2.6, 2.7, 3.5, 3.8, 3.11, and 4.9; PA (Chap 7): 1.7, 2.6, 2.7, 3.5, 3.9, 4.6, 4.12, and 5.7</td>
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<td>09/22, 09/29</td>
<td>Gross Domestic Product (GDP); Unemployment and Inflation (I)</td>
<td>Chapter 8, 9</td>
<td>Exam #1 on 09/22; PA (Chap 8): 1.8, 1.10, 1.14, 2.5, 2.9, 3.5, 3.6, and 3.7; PA (Chap 9): 1.7, 2.6, 3.8, 4.8, 4.9, 5.5, 5.6, 6.6, and 7.7</td>
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<td>10/06, 10/13</td>
<td>Unemployment and Inflation (II); Economic Growth, Financial System, and Business Cycles</td>
<td>Chapter 9, 10</td>
<td>Quiz 2 during week of 10/06; PA (Chap 10): 1.6, 1.9, 2.7, 2.8, 2.10, 2.13, 2.14, and 3.4.</td>
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<td>10/20, 10/27</td>
<td>Long-run Economic Growth; Short-run Aggregate Expenditure and Output</td>
<td>Chapter 11, 12</td>
<td>Exam #2 on 10/20; PA (Chap 11): 1.4, 1.5, 1.6, 2.7, 4.5, 4.6, 5.4, and 5.6.; PA (Chap 12): 1.5, 1.6, 2.7, 2.13, 3.12, 4.5, 4.7, 4.10, and 4.11.</td>
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<td>11/3, 11/10</td>
<td>Money and Banking; Monetary Policy (I)</td>
<td>Chapter 14, 15</td>
<td>Quiz 3 during week of 11/3; PA (Chap 14): 1.7, 2.4, 3.10, 3.11, 4.7, 5.4, 5.6, and 5.10; PA (Chap 15): 2.5, 2.6, 2.8, 3.5, 3.12, 4.5, and 6.8</td>
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<td>11/17, 11/24</td>
<td>Monetary Policy (II); Fiscal Policy (I)</td>
<td>Chapter 16</td>
<td>Exam #3 on 11/17; PA (Chap 16): 1.6, 2.4, 2.7, 3.4, 4.6, 5.5, 6.9, 6.11</td>
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<tr>
<td>12/1, 12/8</td>
<td>Fiscal Policy (II); Macroeconomics in an Open Economy</td>
<td>Chap 18</td>
<td>Quiz 4 during week of 12/1; PA (Chap 18): 1.4, 2.6, 2.7, 2.9, 2.12, 3.11, 4.5, and 5.5.</td>
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<td>Wednesday, December 10, 4:00 – 6:00 pm</td>
<td>Final</td>
<td>All Chapters Covered (1/3 from prior to Exam 2, 2/3 after)</td>
<td>Final Exam on 12/10</td>
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