Economics 311 – Intermediate Macroeconomics – Spring 2015
California State University Channel Islands
Dr. Claudio Paiva

Lectures: TH 12:00 pm – 2:50 pm at BT 2572 Final Exam: May 14 (TH), 10:30 am – 12:30 pm
Office Hours: Thursdays 8:50 am – 11:50 am; and by appointment
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Program Learning Goals (PLG)
These are the skills we try to help you build in all MVS courses:
2. Oral Communication 5. Conduct (Ethics)
3. Written Communication 6. Competency in Discipline

Course Description
Determinants of levels of national income, employment, and price levels. Analysis of secular and cyclical changes in economic activity, and the effects of monetary and fiscal policies on these changes.

Pre-requisites: ECON 110; ECON 111; and MATH 140 or MATH 150


Course Learning Objectives
Students who successfully complete this course will be able to:
1. Distinguish macroeconomic from microeconomic themes. (PLG: 1, 6)
2. Identify the components of national income and the various methods for computing national income. (PLG: 6)
3. Predict the effects of government policy changes on aggregate economic behavior. (PLG: all)
4. Describe the role of money in the economy and predict the effects of changes in the relative scarcity of money (PLG: 1, 2, 3, 6)
5. Identify the purpose and effects of fiscal and monetary policy. (PLG: all)
6. Analyze the domestic and international economic effects of domestic government policy changes. (PLG: all)

My approach to designing and teaching this course
This 3-unit 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 and people everywhere. If you do well in this course, I can assure you that your understanding of macroeconomics will be at par with that of successful undergraduate students anywhere in the world. In addition to explaining macroeconomics, the course will substantially improve your ability to (1) collect, process, and interpret real data; (2) formulate hypotheses and support them with well-crafted arguments; (3) effectively communicate your views, including through the writing of professional-style papers and reports.

The global economy is extremely competitive. Countries compete for investment, businesses compete for markets and resources, and people compete for jobs. Companies decide where they produce and whom they hire partially based on workers’ skills. Hundreds of millions 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 intermediate macroeconomics course taken by those who will compete with you for jobs. In order to succeed, I am also willing to provide extra help with any of the pre-requisite material needed to understand intermediate macroeconomics and the issues discussed in the news every day. So you can expect this course to require more work than you are accustomed to; 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

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1 Notice that federal regulations indicate that students are expected to spend a minimum of 5 hours a week working on this course outside the classroom. I design and teach this course according to this expectation. Please see: http://catalog.csuci.edu/content.php?catoid=11&navoid=680#Credit_Hour
also leave you unprepared for the job market and erode the value of a CSUCI degree for all students – former and future.

I believe my main role as a professor is to help you think through the material in a way that will lead you to understand and form a critical view of these economic developments and policies. I will also review your writing skills and press you to adopt best practices used in top companies, financial institutions, and international organizations.

The textbook provides the foundation for the material taught in the course. However, my lectures and assignments will also make extensive use of “case studies” based on current and past economic, political, and social events as reported or discussed in reputable media outlets (the Wall Street Journal, The New York Times, NBC, The Economist, CNN, etc.). These events may be discussed in class and/or provide context for exams and other assignments. This course has been designed 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.

What should you do to succeed in this course?

1. **Think about the material** – 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.” 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. **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).

3. **Learn to Build the Bridges, Not Only to Describe the Islands** – And in this case, by islands I mean individual concepts/facts; by bridges I mean the logical connections among those concepts/facts and their “real world” implications.

4. **When Taking Notes and Studying the Material, Focus on the Bridges** – 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. **Come to Class** – I do not take attendance: I believe in freedom of choice and personal responsibility. But if you look at points 1-4 above, and 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.

6. **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.

7. **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.

8. **Read or watch (real) news** – and by adding “real” I intend to exclude “Showbiz Tonight,” 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.

9. **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?

FIRST EXAM = 15%  SECOND EXAM = 20%  FINAL EXAM = 30%. The final will be cumulative.
TERM PAPER = 25% (first draft 5% + final paper 20%)  MACROECONOMIC COUNTRY REPORTS = 10%

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. I expect the class average to be a C. As a general guideline, a weighted-average score of 60 percent would be needed for a D; 70 percent for a C; 80 percent for a B; and 90 percent or more for an A. I follow the ABCDF system: there are no + - grades.

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 or to make an appointment for another time.

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. Pure memorization will not get you very far. Many questions will require you to interpret “real world” data or recent news articles, identify economic problems and evaluate possible solutions using the theory and concepts covered in the course. Some math will be required.

You must bring a pink (large) scantron to all exams. The use of cellular phones, computers, tablets or I-pods is not allowed during exams. THE ONLY ELECTRONIC GADGET YOU MAY USE DURING EXAMS IS A SIMPLE ALGEBRA CALCULATOR. THERE WILL BE NO MAKE UP EXAMS.

What should the paper look like?

Working in groups of 3 or 4 students, you will choose two countries to study during the semester. I expect you to read and collect data about these countries in order to complete country reports and prepare a good paper. Your paper should be a comparative study between the performances of the two countries in some of the following macroeconomic issues: economic growth, inflation, unemployment, exchange rates, deficits and debt levels. You should compare and assess the performances, evaluate their impact on the overall economy, analyze the reasons why they are different (or similar), and perhaps recommend the best policies to improve outcomes. We will define the particular issue(s) and the countries of study for each group during the first few weeks of the course.

More details on and advice for the paper can be found in a PowerPoint presentation posted on CI Learn (Blackboard). Give special attention to the recommendation that you should (1) formulate a comparative hypothesis on which the entire paper should be based; (2) have a group “brain storming session” to prepare an outline; (3) come discuss your outline with me. Every semester I see some students ignoring my instructions, taking shortcuts, and then wondering why they earned a low grade on the paper.

To make sure you produce a good term paper and learn more in the process, the paper will be prepared in two stages: a preliminary draft will be due on April 23; you will then have the chance to incorporate my comments and deliver the final version of your paper on May 13. All assignments should be uploaded to CI Learn before 11:59 pm on the due date. Your assignment will lose 20 points for each day that you are late. You may want to turn in your first draft a few weeks earlier: if you do that, I promise to give you my comments a week later, therefore giving you more time to improve your final product.

Paper content, not length, will determine your grade. As a guideline, excellent papers have been written in about 2,500 words. Your grade will depend on how well you establish, develop, and defend your hypothesis, including through the effective selection and presentation of data in tables and graphs. I will grade your paper looking for a through application of the analytical tools to be covered in the course, as well as critical and original thinking.

Remember: gathering information will not earn you many points (anyone can Google!). An effective comparative hypothesis supported by sound economic principles and critical thinking will earn you many points. Supporting your arguments with data will earn you many points. Not only I welcome but strongly recommend that you come discuss your ideas with me before you start writing. I view the paper as an assignment you should work on throughout the semester, not only the day before it is due. I believe the paper is an important step in your learning process, and I will be glad to help you make to most of it.

Notice that you may also get help to improve your general writing skills at the University Writing Center, located on the second floor of Broome library (2675). Drop-ins are welcome, appointments are a good idea. 805.437.8409
Macroeconomic Country Reports

I will assign a kind of “homework” that consists in applying the theory and concepts discussed in class to the countries you are studying for your term paper. You will be asked to obtain and analyze real country data to answer questions and problems in these reports. I will be glad to help you find data and to provide comments and suggestions on your reports during office hours.

You must submit your reports in only one file: use Microsoft Excel to build your charts but copy and paste them onto a Word file with your answers. All reports should be uploaded to CI Learn or e-mailed to me before 11:59 pm on the due date. Your assignment will lose 20 points for each day that you are late. You may incorporate some of the graphs, tables or findings of these reports into your term paper if they support your paper’s hypothesis and arguments.

Working in groups

- The right way: Working in groups is meant to improve the quality of your reports/papers and deepen your understanding of the material (which leads to higher exam scores). Those benefits come mainly from the exchange of ideas, discussions (in person or online), and from each group member checking the work of the others. I consider group work as a way for you to deliver a product with much higher quality than if done individually. Even if busy schedules do not allow for frequent, in-person meetings, if you plan ahead and get organized, you should be able to collaborate remotely via e-mail, Skype, etc. I know it’s possible: in the last couple of years I have co-authored two research papers with people who live in other countries, without ever working in the same room.

- The wrong way: Unfortunately, many students view group work as a way to deliver the same average-quality assignment with each student doing less of the work. Trust me: it is very clear when groups “split the work” and have some members write about a country and other members write about another country without ever discussing a comparative hypothesis and the proper arguments to support it. These parts prepared in isolation never come together in the way they would if the group followed my recommendations. It is also fairly common that students wait until “the last minute” to get started, which makes it harder to reconcile their schedules and to get my help before the submission deadline (remember that I would be glad to provide comments and suggestions on any of your work if you come to my office hours or catch me before/after class).

- Free-riders and other group problems: Also unfortunate is that some students make no effort to contribute to the group work and expect to “tag along” on the assignment grade. Remember that adding the name of a student who did not contribute to a group project may represent a violation of Academic Honesty, and all group members may suffer sanctions. If someone in your group is not contributing to the group work, it is your duty to exclude that student from the group assignment submission. I expect that each group would find its own preferred way to organize the internal work and solve minor disagreements: learning to manage a group project is a very desirable skill that the MVS School wants you to obtain. However, if disagreements and lack of participation become more serious, please report the problem to me. I may interfere in the group and exclude some members.

Practice questions and problem sets

The textbook has several review questions and exercises at the end of each chapter. My slides often contain suggestions of which questions I find most useful to help you understand the material. 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 special appointments and I will be glad to go over 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.

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.