**Spring 2011 Economics 111 Syllabus**

**Principles of Macroeconomics,**

**California State University, Channel Islands**

**Instructor: Z. John Lu, PhD**

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Office hours: M/W 4:15 – 5:15 pm

Class time: Class location:

M/W 3:00 – 4:15 pm Smith Decision Center 1908

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

Exam 1: Wednesday, February 16, in-class

Exam 2: Monday, April 4, in-class

Final exam: Monday, May 16, 4:00 p.m. - 6:00 p.m.

Required text: Hubbard & O’Brien (2008) - Macroeconomics (Pearson Custom Publishing)

Chapters Covered: Chap 1 – 6, 8 - 10, and 12

Grading system

Your grade for the course is based on homework and exams in the following way:

|  |  |
| --- | --- |
| Task | Percent of grade (%) |
| Homework assignments (5)  | 25 |
| Exam 1 | 25  |
| Exam 2 | 25 |
| Final exam  | 25 |

The final course grade depends on (1) sum of weighted % you earn from the four tasks (best = 100%); (2) your relative ranking in the class[[1]](#footnote-1). Note that +/- grades are allowed, and I typically assign a median (midpoint) grade of a B-/C+. Although attendance is not mandatory, regular attendance and class participation may help your grade at the “margin”. 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 and participate regularly.

Exams

There will be NO make-up exams. If you cannot attend one or more of the scheduled exams, you will be at risk for receiving a poor to failing final grade, even if you ace the other components of the grade.

While the exams are *not* cumulative, the learning in this course is sequential and cumulative. In other words, one cannot learn effectively the materials covered in the 2nd half of the course if one does not learn well the materials covered in the 1st half; the 1st half is the pre-requisite for the 2nd. It will be a big mistake to think one can procrastinate learning until 2nd half of the course and still receive a decent grade.

All exams contain multiple choice questions, T/F matching, and short essay questions. The exact distribution may vary between exams, but generally short essay questions do not constitute more than 1/3 of the total points in an exam.

Homework assignments

There will be a total of five (5) homework sets in this course. They are due 1 – 2 weeks after assigned. Most homework assignments cover multiple chapters (typically 10 questions for a total of 5 points).

Please turn in your assignments at class time or at my office or in the **Digital Drop Box** under the Course Tools link **prior to** class time on the due date. Late homework will not be accepted. If you cannot finish in time, hand in what you have completed for partial credit. If you know that you will be out of town or otherwise unavailable when the assignment is due, you must submit it early.

*I highly recommend that you turn in the hardcopy for homework, instead of relying on the Drop Box. If you must submit it electronically, please make sure your file is PC compatible—if I cannot open it with my CSUCI office PC, then the assignment will be considered “not turned in”.*

You are encouraged to work in groups to complete the homework assignments. However each student must submit his/her own answers to each problem set. Homework assignments are graded based on accuracy, completeness and effort; quality of exposition and professionalism of presentation may count for as much as 25% of your score. For this reason, *I strongly encourage you to submit the homework typed*.

Answers to the homework problems will be posted on the website after the due date under the **Course Documents** folder. You are expected to read the answers to the homework assignments by yourself, since I will not generally cover homework assignments in lecture. When I do cover certain assignments, I may call on individuals to explain their answers in class from time to time.

Class attendance and participation

Regular class attendance is expected. It may help your grade if you are otherwise on the borderline between 2 grades.

Course overview

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 good to read the text before or shortly after class.

Learning objectives: At the end of this course, good students will be able to

* Explain the workings of the national economy
* Describe and apply the scientific method to macroeconomic behavior and the institutions within which that behavior occurs
* Measure aggregate levels of economic activity
* Describe the problems of unemployment and inflation
* Understand the basic macroeconomic models and the Business Cycle Theory
* Understand the workings of the US banking system and the role of Federal Reserve System
* Understand the tools of government fiscal policy
* Evaluate the costs and benefits of alternative forms of public policy
* Understand the basic elements of global economy

Cheating

Don't cheat. If I catch you looking at someone else's exam or at notes during an exam, you will receive an F for the exam. Any case of cheating will be referred to Judicial Affairs. Working with fellow students on homework assignments, however, is not cheating and is encouraged.

Advice on studying

*Create your own notebook*: print the lecture notes before lecture and write on them during lecture.

It is highly recommended that you read the assigned material before it is covered in class. Remember that my lecture notes are NO substitutes for your reading the textbook materials. *Learning the materials in a measured pace is far better and less anxiety-producing than cramming before exams.* Complete the homework assignments carefully and on time. Follow domestic and international economic affairs closely, as they may be the best real world examples and case studies to apply the knowledge you learn from the textbook. Pay attention to what political candidates say about the economy and their policy recommendations, and see how the theories and models you learn in class may support or refute their positions. Discuss or debate policy issues with your classmates; but do so in a polite and civic manner. You may find this course will be more enjoyable and you will probably learn more.

Recommended Readings outside Textbook

*Wall Street Journal*

*Los Angeles Times*

*Ventura County Star*

*The Economist* (weekly magazine on international political economy)

**Topics and *Estimated* Timelines**

|  |  |  |  |
| --- | --- | --- | --- |
| **Topic** | **Reading Materials[[2]](#footnote-2)** | **No. of Lectures**  | **Notes**  |
| Intro to Economics | Syllabus, Chap 1  | 2 |  |
| Trade-off, Opportunity Costs, and Theory of Comparative Advantage | Chap 2  | 2 | HW #1 due at end of topic (exact date TBD) |
| Gross Domestic Product | Chap 3 | 2 |  |
| Unemployment and Inflation | Chap 4 | 3 | HW #2 due at end of topic (exact date TBD) |
| **Exam 1** | Chaps 1-4 | 1 | Wednesday, February 16, in-class |
| Economic Growth and Business Cycle | Chap 5 | 3 |  |
| Short-Run Output and Expenditures | Chap 6 | 3 | HW #3 due at end of topic (exact date TBD) |
| **Spring Break March 21-25 ☺** |
| Money and Banking | Chap 8 | 3 |  |
| **Exam 2** | Chaps 5, 6, and 8 | 1 | Monday, April 4, in-class |
| Monetary Policy | Chap 9 | 3 | HW #4 due at end of topic (exact date TBD) |
| Fiscal Policy | Chap 10 | 3 |  |
| Open Economy  | Chap 12 | 3 | HW #5 due at end of topic (exact date TBD) |
| **Final** | Chaps 9, 10, and 12 | 1 | Monday, May 16, 4:00 p.m. - 6:00 p.m. |
| **Have a Wonderful Summer!** |

***This schedule and order is subject to change at any time during the semester.***

1. I know there might be an incentive for students to “collude” and collectively not study hard, since (you think) your grade is determined based on the relative ranking. This is not only an academic dishonesty, but also an incorrect idea. Your grade depends on BOTH the actual % and the relative ranking. [↑](#footnote-ref-1)
2. In general, materials covered during lecture will be less than materials assigned for reading. However, you are required to read the entire assigned reading. [↑](#footnote-ref-2)