**Economics 111 - Principles of Macroeconomics – Spring 2011**

**C*alifornia State University Channel Islands***

**Dr. Claudio Paiva**

Lectures: TTh 1:30 pm – 2:45 pm at BT1424. Final Exam: May 17 (Tu), 1:00 pm – 3:00 pm

Office Hours: Tu 4:30 pm – 5:30 pm; W 10:50 am – 11:50 am; Th 4:30 pm – 5:30 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. Textbook: Hubbard & O’Brien - Macroeconomics.

**Official Course Learning Objectives**

Students who successfully complete this course will be able to:

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

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

* Foster an ability to think clearly and logically;
* Prepare students to find and critically examine information;
* Communicate at an appropriate level in both oral and written forms;
* 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;
* 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, and
* Integrate their knowledge by forming an interdisciplinary and insightful approach to learning.

**My Approach to Teaching**

This course is taught at the high level necessary to understand key current economic issues and macroeconomic policy implications. 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.

The textbook provides the foundation for 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, 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.

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

1. *THINK –* Memorizing information will not get you very far. You are expected to know why economic variables move up or down, how economic developments relate to each other, 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 and 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 reduces investment” will not do well in the course. Students who make sure to understand the channels through which an interest rate increase will reduce investment are likely to do much better. Sometimes I will only write on my slides that “an increase in interest rates reduces investment.” Everything else will come out during my explanation and our class discussions. You are then expected to follow, understand, and summarize the explanation and the discussion in your notes. If I gave you everything already written down, you wouldn’t be thinking about the process, so you wouldn’t be learning (you have a whole lot of things written down on your textbook, but buying a textbook doesn’t mean you learn the subject). Moreover, 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, even more valuable than the course subject.
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. *Read or watch (real) news* *–* and by adding “real” I intend to exclude “Showbiz Tonight,” E!News, and other similar shows (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 arguments in the reports; come discuss them with me or mention them in class.

**How will you be graded?**

MID-TERM EXAM = 20% FINAL EXAM = 30% TERM PAPER = 20%

QUIZZES (30%): first and second quizzes = 5% each; third and fourth quizzes = 10% each

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. Note that, for final course grades, I follow the ABCDF system, and 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 and quizzes 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. The quizzes can be viewed as a “warm-up” for the exams. As such, they will have a similar format but require less complex answers. THERE WILL BE NO MAKE UP QUIZZES OR EXAMS.

**What should the paper look like?**

The paper should be based on a news article/report appearing in a reputable source after January 19, 2010 (and this time “reputable” intends to exclude supermarket tabloids and other exotic news sources). You should submit a copy of the article/report with your paper. If the piece appeared on TV, you may send me the link via e-mail. I recommend you to show me the article/report that you intend to use before you start working on the paper.

Your job will be to (1) explain the main economic ideas contained in the article/report, (2) support or disagree with the arguments in the article/report, and (3) extend the discussion to implications not covered in the article/report, always making extensive use of the analytical tools, models, and concepts covered in the course. I expect you to apply what we covered in the course rather than to simply gather information on a topic. Although length is not of the essence, excellent papers are usually about 5 pages long. Please use reasonable font sizes and single spacing.

I know some students think of the paper as an “easy” grade. Do not count on it. I will grade your paper looking for a through application of the analytical tools covered in the course as well as critical and original thinking. The paper must be sent to me attached to an e-mail by **May 10**. Your paper will lose 20 points for each day that you are late.

I believe the paper is something you should work on throughout the semester, not only on the day before the due date. I believe the paper is an important step in your learning process, and I will be glad to help you make the most of it. You can show me early drafts, get my comments, and still have the chance to improve the final version of your paper: I will be glad to discuss your early drafts if you come to my office until May 3. For more details, see the “Complement to the Syllabus” PowerPoint that is posted on Blackboard.

**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 special appointments and I 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.*

**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.