

ECON 111: PRINCIPLES OF MACROECONOMICS

FALL 2018

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Office Hours: Tuesdays 5:00-6:00pm, Wednesdays 10am-12pm, Thursdays 12:00pm-1:00pm

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Course Information: Tuesday/Thursday 1:30-2:45, Broome Library 2330

Textbook: Pearson Custom Business Resources for Econ 111, also known as *Macroeconomics*. 4th or 5th edition, by R. Glenn Hubbard and Anthony Patrick O'Brien (Pearson Prentice Hall), 2013. (DO NOT BUY THE LATEST ONE—THE OLD ONE WILL DO!)

Course Description: This course addresses the “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.”¹

Course Learning Outcomes: Upon completion of this course, you will be able to

1. Explain the workings of the national economy²
2. Describe and apply the scientific method to economic behavior
3. Interpret aggregate measures of economic activity
4. Describe the problems of unemployment and inflation
5. Evaluate the costs and benefits of alternative forms of public policy

Translation: We have two goals in any principles course. First, we must define the terms and concepts, so that we understand each other. Second, we must acquaint ourselves with our discipline, its accepted methods, common understandings, and disputes. The second purpose is a lot more fun, but is difficult to complete without the first. It is hard to have an opinion as to whether the Fed should raise interest rates without knowing how it does that and what might happen if it did. As such, we will spend a lot of time on the *hows* and *whats* of macroeconomics—how do interest rates work, what is GDP, who counts as unemployed—and significantly less time on the *whethers*—should the Fed engage in additional quantitative easing, should the federal government balance its budget?

There are good reasons outside of being an economist to understand macroeconomic principles. Most information that everyday people use to judge how “the economy” is doing is measured and kept by the federal government. In order to understand how “the economy” is doing, we need to understand how these items are measured. Furthermore, macroeconomics really does enter into political debates! We require some understanding of macroeconomics to follow these arguments.³

¹ California State University Channel Islands 2012-2013 Course Catalog, pp. 237.

² Economists have been arguing about the fundamental underlying model of how a nation’s economy works for several hundred years, and while there’s been some progress, there’s still substantial disagreement. This state of affairs isn’t changing in the next 15 weeks, so you’ll have to live with ambiguity.

³ Nine-tenths of all economic arguments made by elected officials or candidates are excrement, or at least very foul. The last tenth is a glimmer of an honest comment that a political consultant somewhere is working hard to snuff out.

Grades: The grades you earn will reflect the degree to which you have absorbed the information as well as your ability to employ it in analytical tasks. I use the +/- system for grades; while people who get an 89 and a 91 are substantially similar in terms of the learning they have accomplished, people who get an 89 and an 81 are not. You deserve to have that reflected in your grade. I round to the nearest tenth of a percentage point on the final grade, and use “top 3/bottom 3” for pluses and minuses. Because I measure your performance against an absolute standard, rather than a relative ranking amongst your peers, please do not expect a “curve.”

I have four methods for determining how well you understand macroeconomics: tests (two midterms, one final), quizzes, assignments, and participation. The weights I assign each method are below, followed by some thoughts on each:

First Exam	30%
Second Exam	30%
Final Exam	30%
Activities	10%

Exams. Exams allow me to see your breadth and depth of knowledge all at once, and let me see it for each of you. But they take at least an hour to administer and a weekend to grade. Thus there are few exams, but they make up the bulk of your grade.

Activities. Activities are some combination of assignments on the material, data manipulation, and quizzes. They happen in class, and thus you can only get points for them by being in class. You may think of this as a combination of actual effort and also of participation, which I value very highly. Indeed, as all lectures are already posted online (more on this in a moment), activities are *what we do in class*. A note on participating: displays ofchutzpah, panache, knowledge of current events, humor, and moxie always help you. Always.

Flipped Classroom: I have pre-recorded all the lecture content for this class and posted it in Canvas. It is your responsibility to read the book outside of class, watch these lectures (probably multiple times), take notes on them outside of class, and finish activities outside of class. In class, we will start classes with a time for questions on the lectures and reading, followed by activities.

Attendance: Attendance is mandatory. Not only do activities and exams take place during class, but I am needy and lonely and desire your company. Without getting your absence excused, you will get a zero on missed tests and activities. Excuses are valid for health, university events, work, or the death of family. I may require additional confirmation for the death of family and for work.⁴

Make-Up Exams or Quizzes: There are 2 midterms during the semester. The timeline of topics is below; you are responsible for any changes in the schedule announced in class. For excused absences, the next exam score will replace your missed score. Unexcused absences result in a grade of zero. Regardless of the reason for missing an exam, no make-up will be given. If you anticipate a conflict associated with a university-sponsored event, contact me in the first two weeks of class to arrange an alternative time near an exam.

⁴ Many students seem to have an unusually large number of great aunts and uncles to whom they were particularly close, and bosses who are demanding *at the precise moment* that I give exams. Weird, right?

Grade appeals: If you believe that I misgraded any of your work, you may submit a written appeal no later than 2 classes after I return it. Attach the relevant item along with an explanation of the appeal. I will respond in writing. If there is still a disagreement, we can meet during my office hours.

Office Hours: My office hours are listed at the top of the syllabus. Do come visit; I get lonely. Also, I'm very helpful when it comes to clarification of lecture notes, the text, assistance with homework, or general advice on studying. If you cannot meet during office hours, contact me to set up an appointment. Be prepared when you visit; the more you have reviewed the material before coming to me, the more helpful I can be to you. And don't forget: everybody else wants to talk to me right before the exam, too. It is easier to answer a question once than several times over. Form cabals.

E-mail: Throughout the semester, I will send you email with course announcements to your CI email address. If you regularly use another address, please set up email forwarding. Please do send email to ask questions about course material (e.g. clarification of lecture notes, homework problems, etc.); you can also come see me! On the other hand, please do not send email asking questions that are already addressed in the syllabus, posted on Canvas, or announced in class (e.g. exam dates, office hours, grades). Finally, be aware that the University has a spam filter that may screen out email sent from third-party email providers (e.g. yahoo, hotmail). It's best to send me email from your CI account to my CI account.

Canvas: I use Canvas to post everything. Please check Canvas at least daily.

Disability Accommodations: 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.

Academic Honesty: I love a good heist movie, but I hate cheaters and plagiarizers with a hatred as hot as the heat of a thousand suns. If you cheat in my class, know that I am coming for you:

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.

Tentative Schedule: You are responsible for knowing when I change the schedule, which I shall do via Canvas (often I will also announce it in class prior to doing so). Also, I have put the chapter numbers for the fifth edition of the text, but earlier editions differ slightly.

Week	Lecture	Chapter
1	1	Chapter 8. GDP: Measuring Total Production and Income
2	2	Chapter 9. Unemployment and Inflation
3	3	Chapter 10. Economic Growth, the Financial System, and Business Cycles
4	4	Chapter 11. Long-Run Economic Growth: Sources and Policies
5		FIRST EXAM
6	5	Chapter 12. Output and Expenditure in the Short Run
7	6	Chapter 13. Aggregate Demand and Aggregate Supply Analysis
8	7	Chapter 14. Money, Banks, and the Federal Reserve System
9	8	Chapter 15. Monetary Policy
10	9	Chapter 16. Fiscal Policy
11		SECOND EXAM
12	10	Chapter 17. Inflation, Unemployment, and Federal Reserve Policy
13	11	Chapter 18. Macroeconomics in an Open Economy
14	N/A	Chapter 19. The International Financial System
15	N/A	Putting it all together!
FINALS		FINAL EXAM on Tuesday, December 11 th 1:00-3:00pm