**Economics 311 - Intermediate Macroeconomics – Fall 2011**

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

**Dr. Claudio Paiva**

Lectures: TTh 3:00 pm – 4:15 pm at BT 2598. Final Exam: Thursday, Dec 15 (Thu), 4 pm – 6:00 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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**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

Textbook: Gordon (2009) – Macroeconomics 11th or 12th edition. ISBN 0321485513

**Course Learning Objectives**

Students who successfully complete this course will be able to:

* Distinguish macroeconomic from microeconomic themes.
* Identify the components of national income and the various methods for computing national income.
* Predict the effects of government policy changes on aggregate economic behavior.
* Describe the role of money in the economy and predict the effects of changes in the relative scarcity of money.
* Identify the purpose and effects of fiscal and monetary policy.
* Analyze the domestic and international economic effects of domestic government policy changes.

**My Approach to Teaching**

This course is taught at the high level necessary for you to understand key current economic issues and the implications of macroeconomic policies. 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, NBC, The Economist, CNN, etc.). These events may be discussed in class and/or provide context for exam and homework 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 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 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.
8. *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 = 35%. The final will be cumulative.

TERM PAPER = 25% (outline 3% + first draft 7% + term paper 15%) MACROECONOMIC COUNTRY REPORTS = 5%

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 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 shall 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 math will be required. THERE WILL BE NO MAKE UP EXAMS.

**What should the paper look like?**

Working in groups of 3-4 students, you will choose two countries to study through the semester. I expect you to read about these countries and to provide periodical updates about them in class and country reports. 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 the performances, evaluate their impact on the overall economy, analyze the reasons why they are different (or similar), and recommend the best policies to improve outcomes. We will define the 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).**

To make sure you produce a good term paper and learn more in the process, the paper will be prepared in three stages: a detailed outline (about 250 words) will be due on October 13; a preliminary draft (about 1,000 words) will be due November 10; and the final paper will be due December 8 (about 2,500 words). Each stage will weight in your course grade as described above. You will also receive my comments on the first two stages, therefore having the chance to improve your final product. Notice that the number of words is just to give you a very rough idea. The exact length is of little importance. You will be graded on content, 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 covered in the course as well as critical and original thinking.

Each stage of the paper must be sent to me attached to an e-mail before 11:59 pm on the day it is due. Your paper will lose 20 points for each day that you are late. Also, sending the outline or the first draft ahead of schedule may give you more time to incorporate my comments and improve the final product.

Remember: gathering information will not earn you many points (anyone can Google!). Thoughtful explanation, analysis, and discussion that use sound economic theory 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 (2360), It is open M-TH from 9-7 and F from 9-12. 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. The use of Microsoft Excel is highly recommended. You may find it useful/interesting to incorporate some of these reports into your term paper.

**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.