

# ECO202: PRINCIPLES OF MACROECONOMICS SPRING 2011

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Office Hours: Monday & Wednesday 8:45-10:15  
Tuesday 9-11  
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Required textbook: *Principles of Macroeconomics*, 9th edition, by Michael Parkin (Pearson Addison-Wesley Press), 2009.

Workbook: Myeconlab. (This is a website that is purchased with your text, or may be purchased online at [www.myeconlab.com](http://www.myeconlab.com). It will include an online study guide, practice tests, etc. Details on registration are included on the blackboard website.)

Turning point device: Available at any of the 3 Oxford bookstores or may be purchased online. (Details on registration and purchase of either a turning point device or responseware access are included on the blackboard website.)

Course Description: The first objective of the course is to provide the student with an understanding of several measures of macroeconomic performance. The course will then develop a model of the macroeconomy that will be used to understand how various “shocks” can affect the economy and lead to a “business cycle” and affect several key macroeconomic variables (e.g. interest rates, unemployment and inflation rates, Gross Domestic Product, wages). The course will also examine the many controversies surrounding the ability of the federal government or monetary authorities to smooth out the business cycle. The arguments will be put in the context of what is currently transpiring in the U.S. economy. The student will learn that differences in opinion on the efficacy of fiscal and monetary policy will turn crucially upon the validity of several assumptions that are made in the macroeconomic model. In addition to the concerns regarding the business cycle, the course will examine the determinants of long term economic growth, and the ability of government to influence growth with tax and spending policies. Attention will also be given to the impact of the macro-economy on financial markets (e.g. the stock and bond market) and the determinants of trade flows and exchange rates. Macroeconomic theories will also be used to improve the understanding for different points of view on the desirability of various tax or spending programs.

Liberal Education and Farmer School of Business Goals. Eco 202 is a Liberal Education Foundation Course, a root course in economic thematic sequences, and a core course in the Farmer School of Business. A goal of all such courses is to stimulate critical thinking. In this course, you will develop critical thinking skills as we consider the many controversies inherent in the study of macroeconomics. You will learn to be critical in your thinking about the information contained in economic statistics like the unemployment or inflation rate, GDP, or other measures of macroeconomic activity or the standard of living. You will also learn to use economic models to provide a critical analysis of different claims about the desirability and consequences of a wide range of economic policies.

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## COURSE GUIDELINES

Grades. Your course grade will be based upon 2 midterms, quizzes, and a cumulative final exam. The weights on each are listed below. **If you do better on the final exam than on your worst midterm (in percentage terms), the final exam score will replace the lowest midterm score.**

Myeconlab homework (with two lowest scores dropped)	10%
Quizzes (with lowest two quiz scores dropped)	10%
First midterm	25%
Second midterm	25%
Final exam	<u>30%</u>

Myeconlab assignments will be given for nearly every chapter. Your overall Myeconlab score will be based upon an average of the percentage scores for each assignment. You must purchase an access code with your textbook, or you may purchase access online with a credit card at [www.myeconlab.com](http://www.myeconlab.com). Details on registration for myeconlab are available on my blackboard website under “course documents”.

Quizzes will be given on a regular basis and will be administered through myeconlab. A failure to complete the quiz by the announced deadline will result in a zero on the quiz. Students will be made aware of an upcoming quiz via email and/or a blackboard announcement at least 24 hours in advance. Your overall quiz score will be based on an average of the percentage scores for all the quizzes after dropping the two lowest scores.

In class participation. Throughout the semester, we will use turning point software to test your understanding of the class material during the lectures. Each day that participation is scored, you may receive up to one bonus point. If you score above 70% on scored questions on a given day, you will receive a participation point. **If you miss class for any reason, forget your device, or have an inoperable device, you will not receive a bonus point.** At the end of the semester, I will calculate the percentage of possible participation points received. A bonus will then be added to your overall score with the bonus calculated as (percent of possible points earned)\*3 bonus points. For example, if you had an average of 79% based upon the exams, quizzes and homeworks and also earned 90% of the possible participation points, your course grade would be based upon an overall score of  $79 + 2.7 = 81.7$  (a B-).

Academic Misconduct. All students should be familiar with student regulations regarding academic misconduct outlined in Chapter 5 of the student handbook. To be sure there is no confusion with respect to the use of turning point devices for submitting graded information, note that the student handbook defines each of the following (among other offenses) as academic misconduct:

- a. Taking a quiz or examination or similar evaluation in the place of another person.
- b. Utilizing another person to take a quiz, examination, or similar evaluation in place of oneself.
- c. Submitting another person's answers for class participation with a turning point device (or allowing your turning point device to be used for such) will be considered academic misconduct.
- d. No PDAs are allowed on exams or quizzes. Cell phones **MUST** be turned off and stowed prior to class. Having access to an authorized device during an exam or quiz will be considered academic misconduct.

Make-Up Exams or Quizzes. There are 2 midterms during the semester. **The dates listed with the schedule of topics are subject to change.** You are responsible for any changes in the schedule announced in class or via email. In the case of a missed exam, the final exam score will replace your missed midterm score. In the event that you miss a quiz for any reason, it will be dropped as one of your

two lowest quiz scores. Regardless of the reason for missing a quiz or exam, no make-up will be given. In the event that you anticipate a conflict associated with a university sponsored event in advance of the exam, contact me at least two classes prior to the scheduled exam date to discuss the possibility of arranging an alternative time to take the exam.

Grade appeals: If you believe that your exam, quiz, in class participation, or Myeconlab problem set was misgraded, **you must submit a written appeal no later than 2 classes after the relevant grade was posted in blackboard.** The appeal must be made in writing and sent via email.

Office Hours. My office hours are listed at the top of the syllabus. You are encouraged to visit me during those hours for clarification of lecture notes, the text, assistance with homework, or advice on study habits. When you visit, come during my posted office hours or speak to me after class to schedule an appointment. Please prepare for your visit -- organize your questions and review the relevant lecture notes and readings. Be forewarned .. office hours may be very busy immediately before an exam. It is best not to wait to the last minute to ask questions.

Supplementary Instruction: SI study sessions are regularly scheduled, out-of-class, review sessions where students compare notes and discuss readings. Students learn how to integrate course content and reasoning skills in sessions led by SI Leaders. The SI Leader is Lisa Bright. A meeting time and place will be chosen for SI sessions as soon as possible

Blackboard. I will use blackboard to make announcements and post grades. Links will be provided to my Eco202 page from blackboard or you may connect directly to [www.sba.muohio.edu/econwe](http://www.sba.muohio.edu/econwe) This web page will include a listing of assigned readings, homework, supplementary readings, and handouts. All students are expected to access the web site for these materials.

E-mail: Throughout the semester, I will send you email with course announcements to your Miami email address. If you regularly use another address, register it with Miami so that email is forwarded. I assume that you read your email daily. With approximately 150 students in the Macro Principles class, I ask that you be judicious in your use of email. Please do not send email to ask questions about course material (e.g. clarification of lecture notes, homework problems, etc.). These questions should be asked during SI sessions or my office hours. Second, please do not send email asking questions that are already addressed in the syllabus, posted on the web, or announced in class (e.g. exam dates, office hours, grade policies). 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, gmail). It's best to send me email from your Miami account.

## **SCHEDULE**

All dates are subject to change. Students are responsible for keeping informed of announced changes in the schedule.

Monday	1/10	Introduction
Wednesday	1/12	Ch.4: Measuring GDP and economic growth
Monday	1/17	Martin Luther King Holiday – no classes
Wednesday	1/19	
Monday	1/24	Ch. 5: Monitoring jobs and Inflation
Wednesday	1/26	
Monday	1/31	Ch. 6: Economic Growth
Wednesday	2/2	
Monday	2/7	Ch. 7: Finance, Saving and Investment
Wednesday	2/9	
Monday	2/14	
Wednesday	2/16	First midterm exam (Tentative date)
Monday	2/21	Ch. 8: Money, the Price Level and Inflation.
Wednesday	2/23	
Monday	2/28	Financial Markets
Wednesday	3/2	
	3/5-13	Spring Break
Monday	3/14	Ch. 9: The Exchange Rate and Balance of Payments
Wednesday	3/16	
Monday	3/21	
Wednesday	3/23	Ch.10: Aggregate Supply and Aggregate Demand
Monday	3/28	
Wednesday	3/30	
Monday	4/4	Second midterm exam (Tentative date)
Wednesday	4/6	Ch. 12: U.S. Inflation, Unemployment and Business Cycles
Monday	4/11	
Wednesday	4/13	Ch. 13: Fiscal Policy
Monday	4/18	
Wednesday	4/20	Ch. 14: Monetary Policy
Monday	4/25	
Wednesday	4/27	
Thursday	5/5	Final Exam 10:15-12:15; Location to be announced.