Course Information

Instructor: Dr. Jessica Madariaga
Class Times: TR 9:25 am-10:40 am
Classroom: Tate Center for Entrepreneurship 132
Office: Beatty Center, Room 333
Office Hours: 10:30 am-2:00 pm Friday or by appointment
Telephone: 843-953-1992
E-mail: madariagajf@cofc.edu (Please note I stop checking email after 9PM)

Course Learning Outcome: This course provides students with a perspective on macroeconomics that is deeper and more rigorous than that offered in a principles course. The class is designed to give students a unified framework for understanding the causes and consequences of economic phenomena at the aggregate level. We will develop analytical models that stress the microeconomic underpinnings of aggregate outcomes and we will apply the predictions of these models to macroeconomic data. The class emphasis is quantitative in nature as we build links between macroeconomic models and data from the United States. By the end of the course, students will be able to:

1. Understand and be able to use the various measures of an aggregate economy’s performance and well-being;
2. Understand how aggregate macroeconomic behavior is affected by microeconomic behavior and equilibrium restrictions;
3. Understand how credit and labor market frictions operate and how they might impact macroeconomic behavior;
4. Be able to answer simple macroeconomic policy questions by formulating a model, and deriving an analytical and quantitative answer;
5. Understand the factors that cause economic growth and be able to describe the patterns of economic development across countries and over time.

Prerequisites: Formal: ECON 200, ECON 201, MATH 104 or MATH 250, MATH 105 or MATH 120; or permission of the instructor

Catalog Description: A study of classical, Keynesian, and post-Keynesian economics involving the issues of consumption, monetary and fiscal policy, growth, interest, and liquidity.


There will be additional articles and book chapters posted on OAKS that I expect you to read before class. You can access OAKS through My Charleston https://my.cofc.edu/ or directly at https://lms.cofc.edu/
<table>
<thead>
<tr>
<th>School of Business Learning Outcomes:</th>
<th>Quantitative Fluency: Students demonstrate competency in logical reasoning and data analysis skills.</th>
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<td>Global and Civic Responsibility: Students identify and define social, ethical, environmental and economic challenges at local, national, and international levels. Students integrate knowledge and skills in addressing these issues.</td>
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<td>Communication Skills: Students demonstrate the ability, via both written and spoken word, to effectively present, critique, and defend ideas in cogent, persuasive manner.</td>
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<td>Intellectual Innovation and Creativity: Students are able to demonstrate their resourcefulness and originality in addressing extemporaneous problems.</td>
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<td>Economics Learning Outcomes:</td>
<td>Quantitative Fluency: Students demonstrate the ability to draw insights about economic behavior from the application of mathematical tools. Supports Strategic Initiative 1: Enhance the undergraduate academic core.</td>
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<td>Understanding Major Economic Problems: Students demonstrate an understanding of the major economic problems facing society and the policy alternatives which may be utilized to contend with these problems. Supports Strategic Initiative 1: Enhance the undergraduate academic core.</td>
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<td>Synthesis: Students demonstrate the ability to access existing knowledge by retrieving, assembling, and organizing information on particular topics and issues in economics. Supports Strategic Initiative 1: Enhance the undergraduate core.</td>
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<td>Communication Skills: Students demonstrate the ability to clearly communicate the analysis of an economic issue. Supports Strategic Initiative 1: Enhance the undergraduate core.</td>
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<td>Participation:</td>
<td>Participation is not graded. However, participation is highly valued and to encourage participation I adopt the following policy. I will increase your exam score if you have been active in class discussions, usually one-half to a full point on exam scores for all correctly answered questions during lecture or insightful questions asked. I will never decrease your grade if you do not talk or if your comments were totally off. Such grade increases due to participation are not negotiable.</td>
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<tr>
<td>Computers:</td>
<td>I expect that you will not play with your laptop during lectures. This is an intermediate class and I expect my students to have the maturity of juniors and seniors enrolled in a rigorous upper-level economics course. Playing with your laptop pretty much guarantees that you lose any benefits identified in the “Class Participation” section above as well as incurring a permanent ban from bringing your laptop to further lectures. In general, it is very easy for me to infer whether you use your laptop during class to produce (e.g. to take notes or follow the slides) or to consume (e.g. watch movies/surf the web).</td>
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Grading:

Final grades will be determined by performance on homework assignments, in-class work, exams, and a comprehensive final exam. Specifically, final grades are calculated as the best grade based on the below three methods under a 10-point grading scale.

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<tr>
<th>Method 1</th>
<th>Method 2</th>
<th>Method 3</th>
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<tbody>
<tr>
<td>Exam I: 0%</td>
<td>Exam I: 19%</td>
<td>Exam I: 19%</td>
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<tr>
<td>Exam II: 19%</td>
<td>Exam II: 0%</td>
<td>Exam II: 19%</td>
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<tr>
<td>Exam III: 19%</td>
<td>Exam III: 19%</td>
<td>Exam III: 0%</td>
</tr>
<tr>
<td>Homework: 22%</td>
<td>Homework: 22%</td>
<td>Homework: 22%</td>
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<tr>
<td>In-Class: 10%</td>
<td>In-Class: 10%</td>
<td>In-Class: 10%</td>
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<tr>
<td>Final: 30%</td>
<td>Final: 30%</td>
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Exams:

Three exams and a final will be given during the term. Exams will consist primarily of short discussion questions and mathematical problems, where the emphasis is on problem solving and critical thinking.

The "take three exams, drop one" format is designed to allow students to miss class periods if needed, for any reason. Their purpose is not to help you get a better grade, but rather to allow you to manage any scheduling conflicts that may arise during the course of the semester. Make-up tests will not be given.

The only exception is for College of Charleston sanctioned activities, and the student must bring me a request from the appropriate College official. If you fall in this category, you may be allowed to take a test early, before the scheduled date and time, if necessary, and if arrangements can be made to do so.

According to the College handbook, students are required to submit documentation of their College representation related commitment from the appropriate College authority at least one week prior to the scheduled absence in order to be eligible for reasonable accommodations by the instructor.

Homework:

I will assign homework over the course of the semester. Please take note of the following guidelines:

1. Homework is due at the beginning of lecture. Homework submitted after the first ten minutes of lecture are considered late.
2. Late homework will not be accepted under ANY circumstances.
3. There will be no extensions granted for individual students under any circumstances.
4. I require that all homework assignments are typed. Graphs that do not contain data may be hand drawn and is the only exception to the typing rule. The hand-drawn graph must be scanned and attached into the homework assignment. If I cannot read the scanned work, no credit will be given. If the assignment is not typed, I will not grade the homework and you will receive a zero.
5. For the multiple-choice questions on the homework, answers must be submitted on a scantron sheet and submitted at the beginning of lecture.
6. Homework other than the multiple-choice questions must be submitted in either a .pdf or .docx format and submitted through the dropbox function in OAKS.
7. I will assign the class into groups of three as the homework in the class will be group work. As a group, you will turn in one assignment. In order to
receive any credit, all names of the group members must be TYPED on the first page of the assignment. To help eliminate the free-rider problem associated with group work, each member of the group will grade the individual contributions of their members for every homework. If a member does not contribute to the homework, they will receive a zero. If the member only contributes 80% to the final homework, they will receive 80% of the grade.

8. Make sure you round all answers two decimal places, i.e. 2.087 = 2.09.

In-Class Work: Over the course of the semester, I will give a number of in-class assignments. The time allotted will typically (but not always) be the first 10 minutes of class so it is important that you arrive to class on time, as no extra time will be given to those arriving late. These assignments will gauge your knowledge of the material covered in class in addition to providing an incentive for you to study your previous days lecture notes before class.

Attendance: Students are expected to attend all classes and examinations in accordance with the general College requirements. Students are expected to arrive on time and to remain for the entire class period. When in class students should turn cell phones off or to vibrate. Do not answer your cell phone during class. If it is an emergency, please excuse yourself from class.

If I find that a certain student is disrupting the class, he/she will be issued one warning, failing which, he/she will be asked to leave the classroom. If I ask you to leave the lecture, I will take five points from your final grade for each incidence.

Final: Students who cannot take the final exam at the regularly scheduled time should not take this class. The final exam is comprehensive. If a student performs better on the final exam than the remaining lowest exam score, I will replace the lowest test score with the final exam grade. Therefore, the final exam has the potential to be worth 49% of a student’s grade.

Grading Policy: Any disagreement with the grade given in any homework or exam can only be contested in written form. Submit in writing (not email) both the question that you believe was incorrectly graded along with the economic reasoning for why your answer was correct. A written response will be given to you afterwards. Please note that if you do submit a disagreement, I will not only look at the answer in question but also the entire exam. This means all questions and partial credit will be under review. A written response will be given to you afterwards. Under no circumstances will a grade be changed by email or any other means. In addition, grades may not be discussed over email.

Disability Statement: The College will make reasonable accommodations for persons with documented disabilities. Students should apply at the Center for Disability Services/ SNAP, located on the first floor of the Lightsey Center, Suite 104. Students approved for accommodations are responsible for notifying me as soon as possible and for contacting me one week before accommodation is needed.
I encourage you to utilize the Center for Student Learning’s (CSL) academic support services for assistance in study strategies, speaking & writing skills, and course content. The CSL, located on the first floor of the library, offers a wide variety of tutoring and other academic resources that support many courses offered at the College. Services include walk-in tutoring, by appointment tutoring, study strategies appointments, Peer Academic Coaching (PAC), and Supplemental Instruction (SI). Students of all abilities have become more successful using these programs throughout their academic career and the services are available to you at no additional cost. For more information regarding these services please visit the CSL website at http://csl.cofc.edu/ or call (843) 953-5635.

Weather

If the College closes and member of the community are evacuated due to inclement weather, students are responsible for taking course materials with them in order to continue with course assignments consistent with instructions provided by faculty. In cases of extended periods of institution-wide closure where students have relocated, instructors may articulate a plan that allows for supplemental academic engagement despite these circumstances. Outlined below are the three operational status codes at the College and student responsibilities during these periods.

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<tr>
<th>Operational Status</th>
<th>Guidelines</th>
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<tr>
<td>Normal Operations</td>
<td>Instruction continues to be delivered as normal and students are expected to continue with all course work, assignments, and be in attendance according to the course syllabus. Students who elect to depart early or delay their return are responsible for all missed work. Students should plan to take all course materials with them.</td>
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<tr>
<td>Closure</td>
<td>College is officially closed (formal announcement) and instruction is suspended. Students are responsible for taking all of their course materials with them and monitor email communication from faculty on how instruction will resume.</td>
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<tr>
<td>Recovery/Preparation to Resume Normal Operations</td>
<td>Course work could resume partially and/or gradually consistent with an articulated plan and instructions provided by the faculty. Students are expected to find internet access for email communication and access to course materials in OAKS.</td>
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**Honor Code:** The College of Charleston Honor Code is in effect in this class. As such and as indicated in the Honor Code, all violations, when identified, are investigated. Cases of Suspected academic dishonesty must be reported to the Dean of Students and will be handled by the Honor Board.

Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each incident will be examined to determine the degree of deception involved.

Incidents where the instructor determines the student’s actions are related more to a misunderstanding will be handled by the instructor. A written intervention designed to help prevent the student from repeating the error will be given to the student. The intervention, submitted by form and signed both the instructor and the student, will be forwarded to the Dean of Students and placed in the student’s file.

Cases of suspected academic dishonesty will be reported directly by the instructor and/or others having knowledge of the incident to the Dean of Students. A student found responsible by the Honor board for academic dishonesty will receive an XF in the course, indicating failure of the course due to academic dishonesty. This grade will appear on the student’s transcript for two years after which the student may petition for the X to be expunged. The student may also be place on disciplinary probation, suspended (temporary removal) or expelled (permanent removal) from the College by the Honor Board.

Students should be aware that unauthorized collaboration—working together without permission—is a form of cheating. Unless the instructor specifies that students can work together on an assignment, quiz and/or test, no collaboration during the completion of the assignment is permitted. Other forms of cheating include possessing or using an unauthorized study aid (which could include accessing information via a cell phone or computer), copying from other’s exams, fabricating data, and giving unauthorized assistance.

Research conducted and/or papers written for other classes cannot be used in whole or in part for any assignment in this class without obtaining prior permission from the instructor.

Students can find the complete Honor Code and all related processes in the Student Handbook:

[http://studentaffairs.cofc.edu/honor-system/studenthandbook/index.php](http://studentaffairs.cofc.edu/honor-system/studenthandbook/index.php)
Tentative Schedule of Topics, Fall 2019 (Schedule is subject to change, especially given the weather during the fall semester)

August 20th-22nd: The Mathematics of Optimization/ Lagrange Multipliers
Reading: Power point slides/class notes

August 27th-September 10th: Introduction to Macroeconomics, Definitions, and Measurement
Reading: Williamson Chapters 1, 2, 3

September 12th: Consumer Behavior: The Work-Leisure Decision

September 17th: Exam #1

September 17th-26th: Consumer and Firm Behavior: The Work-Leisure Decision and Profit Maximization/ Introduction to the LRAS curve
Reading: Williamson Chapter 4

October 1st-October 3rd: A Two-Period Model: The Consumption-Savings Decision and Credit Markets
Reading: Williamson Chapter 9

October 8th-October 10th: Credit Market Imperfections: Credit Frictions and Financial Crises
Reading: Williamson Chapter 10 pgs. 342-362

October 17th-October 24th: A Real Intertemporal Model with Investment
Reading: Williamson Chapter 11

October 29th: Money
Readings: Abel, Bernanke, and Croushore Chapter: 7.1, 7.3,

October 31st: Exam #2

November 5th – November 7th: Money, Inflation, and Monetary Policy
Readings: Abel, Bernanke, and Croushore Chapter: 7.1, 7.3, 7.4, 14
Charles Jones Chapter: 8.2, 11.2, 11.6, 12.6, and 14.3

November 12th-November 21st: IS-MP-AD-AS Model
Reading: Class Notes

November 26th: Exam #3

Final Exam: December 5th 8am- 11am