COLLEGE OF CHARLESTON
Department of Economics
Principles of Macroeconomics (Econ 201), Section 09
Spring 2020

Course Information

Instructor: Dr. Jessica Madariaga
Class Times: TR 12:15 pm- 1:30 pm
Classroom: Beatty Center 214

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)

Prerequisites ECON 200 and 3 credit hours of MATH

Course Learning Outcome
This course in macroeconomics is designed to provide students with a unified framework that can be used to analyze macroeconomic issues such as productivity, inflation, unemployment, labor markets, wages, business cycles, money, interest rates, monetary and fiscal policy. The course is a mixture of macro theory and real-world applications. Students will gain knowledge of the market economy, develop critical thinking and analytical skills through understanding the following economic models and concepts:

1. Measures of GDP, price indices, and unemployment
2. Production functions, the labor market, and the problem of labor market frictions
3. Fiscal Policy
4. Banking and the Federal Reserve
5. Tools of the Federal Reserve/Taylor Rule
6. AD-AS-LRAS Model
7. How economic stability and growth are influenced by fiscal and monetary policy

School of Quantitative Fluency:
Business Students demonstrate competency in logical reasoning and data analysis skills.

Learning Outcomes: 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.

Communication Skills:
Students demonstrate the ability, via both written and spoken word, to effectively present, critique, and defend ideas in cogent, persuasive manner.

Intellectual Innovation and Creativity:
Students are able to demonstrate their resourcefulness and originality in addressing extemporaneous problems.

Economics Quantitative Fluency:
Learning 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.
**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.

**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.

**Communication Skills:**
Students demonstrate the ability to clearly communicate the analysis of an economic issue. Supports Strategic Initiative 1: Enhance the undergraduate core.

**General Education Learning Outcome**
The study of economics is a social science. As such, economics courses at the College of Charleston satisfy the College's General Education social science requirement. The General Education Student Learning Outcome for the social science is: Students apply social science concepts, models, and theories to explain human behavior, social interactions, and social institutions. The learning outcome will be accessed on a mid-term exam.

**Catalog Description**
ECON 201
The foundation of aggregate economic analysis is presented, including identification of basic social goals, money, and credit systems and theories of national income, employment and economic growth, and international interdependence.

**Optional Text**
Additionally, there will be a large number of articles and book chapters posted on OAKS that I expect you to read before class. The class reading schedule is located on the last page of the syllabus and can be accessed on OAKS. You can access OAKS through My Charleston [https://my.cofc.edu/](https://my.cofc.edu/) or directly at [https://lms.cofc.edu/](https://lms.cofc.edu/)

As you will soon realize, the readings from the textbook are only a subset of the material covered in class. This means that only reading the book is an imperfect substitute for understanding all the topics covered in lectures.

**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. **If you miss more than six classes, I will decrease your overall class score by a full letter grade.** 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.

**Participation**
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 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*. Historically, this
policy has helped around 30-35% of students to move up to a higher grade relative to their grade in the absence of the policy.

Computers I expect that you will not play with your laptop during lectures. 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).

Grading Final grades will be determined by performance on in-class work, homework assignments, exams, and a comprehensive final exam. Specifically, final grades are calculated as the best grade based on the below four methods (method 5 under special circumstances*) under a 10-point grading scale. Method 5 will be allowed this spring semester under the following conditions: if your grade is calculated as method 5, you will not be allowed to drop your lowest exam and the class must achieve at least 75% participation in completing the end of the semester instructor evaluation found on OAKS.

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Exams Four exams and a final will be given during the term. Exams will consist primarily of short discussion questions, graphs, and mathematical problems. The emphasis on the tests in this course is on problem solving and critical thinking.

The "take four, 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 cannot 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 & 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. 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.
6. Make sure you round all answers two decimal places, i.e. 2.087 = 2.09.

**In Class Assignments**
I will assign in-class assignments over the course of the semester. The purpose is to increase your practice with the application of macroeconomic problems as well as give feedback in the classroom to help you internalize the concepts presented in class. If you are absent on the day of an in-class assignment and have an undocumented absence, then your grade for that assignment will be a zero. I am happy to excuse the assignment if you have a documented sickness or are participating in a college-sponsored activity, where you are an official representative of the College of Charleston.

**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 40% of a student’s grade.

**Grading Policy**
Any disagreement with the grade given on any homework or exam can only be contested in written form. Submit in writing (not email) both the question that you believe was unfairly 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.

**Center for Student Learning**
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. They offer tutoring, Supplemental Instruction, study skills appointments, and workshops. 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](http://csl.cofc.edu) or call (843) 953-5635.
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 placed 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://deanofstudents.cofc.edu/honor-system/studenthandbook/
## ECON 201, Macroeconomics
### Tentative Schedule, Spring, 2020

#### WEEK OF:

**January**
- 09  Introduction to the macroeconomy
- 14  Introduction to the macroeconomy
- 16  Product, Expenditure vs. Income Approach
- 21  Nominal vs. Real GDP [Fixed Weight Approach]
- 23  Chain-Weighted Real GDP Approach
- 28  Inflation: GDP Deflator vs. CPI
- 30  Interest Rates/Unemployment Rate
- 04  Production Function

**February**
- 05  **Exam Review Session at Night**
- 06  **Exam 1**
- 11  Production Function
- 13  Labor Demand
- 18  Labor Supply/Equilibrium in the Labor Market
- 20  Equilibrium in the Labor Market/Sticky Wages
- 25  Great Depression/Keynesian Model
- 26  **Exam Review Session at Night**
- 27  **Exam #2**
- 03  Keynesian Model

**March**
- 05  Keynesian Model/ Multipliers
- 10  Problems with Implementation of Fiscal Policy
- 11  **Exam Review Session at Night**
- 12  **Exam #3**
- 15-21  **Spring Break**
- 24  Definition of Money/Introduction to the Federal Reserve
- 26  Federal Reserve & Policy Tools of the Federal Reserve
- 31  Federal Reserve & Policy Tools of the Federal Reserve

**April**
- 02  Taylor Rule
- 07  AD Curve
- 09  AS-LRAS Curve
- 14  AD-AS-LRAS Curve
- 16  AD-AS-LRAS Curve
- 20  **Exam Review Session at Night**
- 21  **Exam #4**
- 25  Final Exam 4PM-7PM

***The schedule is tentative and has the potential to change over the semester***
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<thead>
<tr>
<th>Topic</th>
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| Introduction to the Macroeconomy                                     | Olney: pg. 56-59, 72-74  
WMS: Business Cycles [OAKS: pg. 70-82]  
KW: Economic Growth [OAKS: all pgs in posted article]  
ALL: A first look at U.S. Growth [OAKS: pgs 140-146] |
| Product vs. Expenditure vs. Income Approach                          | Olney: pg. 52-54, pg. 108-113 (explanation of categories of expenditure approach)  
WMS: Chapter 2  
ALL: 5.2 National Income Accounts: Production=Expenditure=Income [OAKS: pgs 89-104] |
| Nominal vs. Real GDP [Fixed Weight Approach]                        | Olney: pg. 54-56  
CFO: Nominal vs. Real GDP [OAKS: pgs 426-429]  
ALL: Real vs. Nominal 104-106 |
| Chain-Weighted Real GDP Approach                                     | [OAKS: Chain-Weighted GDP Article] |
| Inflation: GDP Deflator vs. CPI                                      | Olney: pg. 65-68  
ALL: pg 106-110 |
| Interest Rates                                                       | Olney: pg. 227  
ABC: pg. 51-53 [OAKS] |
| Unemployment                                                         | Olney: pg. 60-65  
WMS: Unemployment [OAKS: all pgs in posted article] |
| Production Function                                                  | Olney: pg. 74-85  
ABC: Production Function [OAKS: pg. 60-69] |
| Labor Demand                                                         | ABC: Labor Demand [OAKS: pg. 70-77] |
| Labor Supply                                                         | ABC: Labor Supply [OAKS: pg. 77-83] |
| Great Depression/Keynesian Model                                    | Olney: pg. 89-105  
Keynesian Model  
Keynesian Model/ Multipliers  
pg. 113-126  
pg. 134-153, 158-161, 163  
pg. 169-173 |
CFO: Time Lags with Fiscal Policy [OAKS: pg. 299-302]  
CFO: Definition of Money [OAKS: pg. 197-202] |
| Federal Reserve/Creation of Money                                   | Olney: 221-224  
CFO: Federal Reserve [OAKS: pg. 208-217]  
ABC: Creation of Money [OAKS: pg. 534-546] |
| Taylor Rule                                                          | Olney: 263-282  
ABC: Taylor Rule [OAKS: pg. 570-574] |
| AD Curve                                                            | In class discussion |
| LRAS/ AS Curve                                                       | Olney: pg. 247-257  
p. 268-276 |
| AD-AS-LRAS Model                                                     | In class discussion |