Principles of Macroeconomics

ECON 201-02  CRN 30003

MTWF 8:00 – 9:45  BCTR 214  July 5 – August 3  SUMMER II 2017

“[The] economy is the method by which we prepare today to afford the improvements of tomorrow”

Calvin Coolidge, 30th President of the United States 1872 - 1933

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TATE Room 313

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Office Hours:
MTWR 10:00 – 12:00
And
By Appointment

“[It is] better to look ahead and prepare than to look back and regret.”

Jackie Joyner-Kersee, Olympic gold medalist

About This Course

Pre-requisite:
ECON 200 – Principles of Microeconomics

I will share with you my knowledge and love of economics, my passion for learning, along with guidance for your success.

You will share with me your active participation in class, your personal preparation of all assignments, and an indication of your knowledge gained through your efforts when asked.

Course Description:
The foundation of aggregate economic analysis is presented, including identification of basic social goals, money, credit systems and theories of national income, employment and economic growth, how economic stability and growth are influenced by fiscal and monetary policy and international interdependence.

Course Objectives

The pre-requisite knowledge learned in ECON 201 is necessary for successful completion of many of the upper level courses offered in the School of Business such as finance, marketing and production. Knowledge of macroeconomics also provides an understanding of the economic perspective and to reason accurately and objectively about policy alternatives impacting our daily lives.

Course Objective:
Students demonstrate factual knowledge of the macroeconomy and develop critical thinking and analytical skills through understanding macroeconomic models and concepts.

College of Charleston General Education Student Learning Outcome:
Students apply social science concepts, models, and theories to explain human behavior, social interactions, and social institutions.

This learning outcome will be assessed using a short essay homework assignment.

The School of Business learning goals

- QUANTITATIVE FLUENCY: Students demonstrate competency in logical reasoning and data analysis skills.

- 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.

Demonstration of achievement will be through completion of weekly homework assignments, in class exercises and on term and final exams.
Required Course Materials- Text/homework


CONCEPTS OF LASTING VALUE

1. **RELATIVE SCARCITY**
   Make the most of what you've got

2. **OPPORTUNITY COST**
   There is no such thing as a free lunch

3. **REAL VERSUS NOMINAL VALUES**
   Concentrate on what is real, not just what is easy to see or DEEP LEARNING versus diplomas

4. **MODELS & ABSTRACT THINKING**
   It may be simplistic and unrealistic, but it’s extremely useful

5. **SUPPLY & DEMAND ANALYSIS**
   Teach a parrot the words ‘supply and demand’ and you’ve got an economist!

6. **EQUILIBRIUM**
   Where does the pendulum stop?

7. **KEYNESIAN MACROECONOMICS**
   I know the economy is in equilibrium because the unemployment line I’m standing in isn’t getting any longer or shorter.

8. **RULES VERSUS DISCRETION IN ECONOMIC POLICY**
   Hell is paved with good intentions versus Nero fiddles while Rome burns

9. **MUTUAL GAINS FROM TRADE**
   Maybe there is a free lunch

10. **INVESTMENT IS THE KEY TO GROWTH**
    No pain, no gain. You are investing in your human capital.

**Required Course Materials – iclicker+ or REEF Polling Subscription**

Iclicker+ or REEF polling is used to grade in-class participation on questions and problems presented during the lectures. Both are available in the bookstore. You can also purchase the online REEF app at app.reef-education.com or download the mobile app from the App Store or Google Play. A six-month subscription is $14.99.

**Special instructions for REEF Polling by i>clicker**
You have the option to use REEF Polling instead of an i>clicker remote in this course. To create a REEF Polling by i>clicker account, visit app.reef-education.com or download the app for iOS. Creating an account automatically starts a free 14-day trial subscription. Please use this trial period to make sure REEF Polling will work for all of your i>clicker classes before purchasing a subscription as it is not possible to receive a refund after your purchase a subscription.

Once you create your REEF Polling account, be sure that you’ve added your Student ID to your profile to complete the registration process.

At the end of your trial, should you decide to purchase REEF Polling, you can purchase access to REEF Polling in a variety of subscription lengths using your credit card online or through in-app purchase with your smartphone; this subscription includes an unlimited number of courses.

**Troubleshooting**
You can find the answers to many of your questions on the i>clicker student support site (http://support.iclicker.com). If you continue to experience issues, please contact support via phone (866.209.5698 ) or email (support@iclicker.com).

Live support is available Monday - Thursday from 9AM - 11PM, ET and Friday from 9AM - 9PM, ET

If you purchase an iclicker+ I will provide registration information in class. Do not register on the website.

**ADDITIONAL COURSE MATERIALS:**

PowerPoint lecture slides, articles, videos and podcasts and solutions manual for 2nd edition end of chapter questions are available in OAKS

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“Our progress as a nation can be no swifter than our progress in education. The human mind is our fundamental resource.”

John F. Kennedy, special message to Congress on Education, 20 February 1961
Academic Integrity

Students at the College of Charleston are expected to adhere to the Honor System as outlined in the Student Handbook.


In the business school you learn about the legal environment of business and about ethical situations that are found in the workplace. You should consider the Honor Code not only as mandates for academic honesty, but as a first lesson in appropriate conduct in the workplace.

Specifically “The Honor System of the College of Charleston” is intended to promote and protect an atmosphere of trust and fairness in the classroom and in the conduct of daily life.

Any violation of the Codes will result in severe consequences.

Please read carefully and follow the “Classroom Code of Conduct,” in the College of Charleston Student Handbook.

Attendance is required and will be assessed through sign-in on an attendance sheet each class period.

Class participation is required and will be assessed through the iclicker in-class exercises.

I consider bringing a fellow student’s iclicker2 to class or signing a fellow student’s name to the attendance sheet to be cheating and a violation of the College of Charleston Honor Code.

If you are caught with a remote other than your own or have votes in a class that you did not attend, or signed in for a class you did not attend you will forfeit all points and may face additional disciplinary action.

The following point scale will be used for the course:

<table>
<thead>
<tr>
<th>Percent of total points</th>
<th>A   = 93-100</th>
<th>A- = 90-92</th>
<th>B+ = 87-89</th>
<th>B  = 83-86</th>
<th>B- = 80-82</th>
<th>C+ = 77-79</th>
<th>C  = 73-76</th>
<th>C- = 70-72</th>
<th>D+ = 67-69</th>
<th>D  = 63-66</th>
<th>D- = 60-62</th>
<th>F    &lt; 60</th>
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</table>

Class Participation iclicker-
REEF polling/hmwrk 15%

3 Term Exams* 60%

Comprehensive Final 25%

*Highest test score = 25%
2nd highest test score = 20%
Lowest test score = 15%

Calculators may be needed to complete math questions. Programmable calculators are not acceptable and calculator covers must be left in book bag or under seat. NO cell phones, MP3’s, I-Pods, etc. are allowed.

The Honor Code is in effect at all times.

You are responsible for the material whether you are in class or not. Much of the material presented in class will not be in your book. Attendance will be taken using the iclicker2 in class exercises and sign-in sheets.

HOMEWORK ASSIGNMENTS:
Reading assignments should be completed before the lecture covering that assignment.

TEST FORMAT: All term exams and the final will be multiple choice formats.

Students are expected to arrive on time for exams.

"The supreme quality for leadership is unquestionably integrity. Without it, no real success is possible.”

Dwight D. Eisenhower, 34th President of the United States, 1890-1969
Accessibility and Disability Statement

Students in the class, who have a documented disability and have been approved to receive accommodations through the Center for Disability Services / SNAP, please come and discuss this with me during my office hours.

You may make arrangements to take the test with me or at the SNAP testing center. I must have all relevant paperwork for testing at the SNAP test center at least 3 days in advance of the test.

Sometimes life events intrude on our day to day lives. Your success is important to me. My door is always open and I am a good listener. When life events intrude keeping you from meeting course requirements please come see me to discuss a solution.

**EMAIL Policy:** I always answer emails. If you do not receive an answer within 24 hours during weekdays I did not receive your email. I rarely check email after 8 pm during the week and only check email sporadically during weekends. Please plan accordingly.

Center for Student Learning

I encourage you to utilize the Center for Student Learning’s (CSL) academic support services for assistance in study strategies and course content. Faculty-recommended, highly trained ECON tutors are on staff and are available to work with you at no additional cost. Drop by the front desk at the CSL (first floor Addlestone Library), call 843.953.5635, or use the Request a Tutor link from the website http://csl.cofc.edu/labs/individual_tutoring/index.php. For more information regarding these services please visit the CSL website at http://csl.cofc.edu.

If you are having particular difficulty with any of the material in this course:

-DO come and see me immediately, either during office hours or by making an appointment. Please read the appropriate sections of the textbook and review your notes BEFORE the appointment.

-Please DO NOT let it build up. The material is cumulative and you will likely find yourself falling further behind.

Late Assignments and Make-up Exams

Deadlines are a fact of life in the business world as well as in academia. Late assignments will not be accepted.

This syllabus indicates the tentative dates for exams and exams will be announced in class. You may make arrangements to take an exam early if you give sufficient notice. If an exam is missed, that exam grade will be zero; however, you may drop your lowest term exam grade. By missing an exam, you put yourself in the position of having no "breathing room" on any of your subsequent exams; you must do well on the remaining exams.

The only exception is for College of Charleston sanctioned activities, and the student must bring me a request from the appropriate College official.

Please see me if you have any questions regarding this policy.

"To feel much for others and little for ourselves; to restrain our selfishness and exercise our benevolent affections, constitute the perfection of human nature.”

Adam Smith, the Father of Economics 1723-1790
## PRINCIPLES OF MACROECONOMICS
### TENTATIVE SCHEDULE OF ASSIGNMENTS
#### Summer II 2016

<table>
<thead>
<tr>
<th>MONTH</th>
<th>DATE</th>
<th>CHAPTER(S)</th>
<th>TOPICS COVERED</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>5</td>
<td>CH 5-6, CH 7</td>
<td>Macroeconomics: The Big Picture, GDP</td>
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<tr>
<td></td>
<td>6</td>
<td>CH 7</td>
<td>GDP, Real GDP, Nominal GDP, Price Index</td>
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<tr>
<td></td>
<td>7</td>
<td>CH 8</td>
<td>Price Index calculations, Unemployment</td>
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<tr>
<td></td>
<td>10</td>
<td>CH 8, CH 16 (pp 475, 478-483, 491-496)</td>
<td>Unemployment, Inflation, Deflation, Disinflation</td>
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<tr>
<td></td>
<td>11</td>
<td>CH 9</td>
<td>Long-run Economic Growth</td>
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<tr>
<td></td>
<td>12</td>
<td>CH 10</td>
<td>Saving and Investment Spending</td>
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<tr>
<td></td>
<td>13</td>
<td>CH 10</td>
<td>Investment Spending</td>
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<tr>
<td></td>
<td>14</td>
<td>TEST #1</td>
<td>CH 7, 8, 9</td>
</tr>
<tr>
<td></td>
<td>17</td>
<td>CH 11</td>
<td>Income/Expenditures (No Graphs, - only tables)</td>
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<tr>
<td></td>
<td>18</td>
<td>CH 12</td>
<td>Aggregate Demand and Aggregate Supply</td>
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<tr>
<td></td>
<td>19</td>
<td>CH 12, CH 13</td>
<td>Aggregate Demand and Aggregate Supply, Fiscal Policy</td>
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<td></td>
<td>20</td>
<td>CH 13</td>
<td>Fiscal Policy</td>
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<td></td>
<td>21</td>
<td>TEST #2</td>
<td>CH 10, 11, 12</td>
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<td></td>
<td>24</td>
<td>CH 13</td>
<td>Fiscal Policy, Deficits, Debt</td>
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<td>25</td>
<td>CH 14</td>
<td>Money and Banking</td>
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<td>26</td>
<td>CH 15</td>
<td>Money and Banking, Monetary Policy</td>
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<td>27</td>
<td>CH 19</td>
<td>Monetary Policy, Capital Flows and the Balance of Payments</td>
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<td>28</td>
<td>TEST #3</td>
<td>CH 13, 14, 15, 19 (balance of payments)</td>
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<td>31</td>
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<td>General Education Assessment Essay Due at 8 am</td>
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<tr>
<td>31</td>
<td></td>
<td>CH 19, CH 17</td>
<td>Exchange Rates, International Monetary Regimes</td>
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<td>August</td>
<td>1</td>
<td>CH 17</td>
<td>Crises and Consequences</td>
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<td>2</td>
<td>FINAL 8:00 – 11:00 am</td>
<td>CH 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 19</td>
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**Recommended Reading List**

- Darwin Economics, Robert Frank
- The Economic Naturalist’s Field Guide, Robert H. Frank
- The Spirit Level, Richard Wilkinson and Kate Pickett
- The Price of Inequality, Joseph E. Stiglitz
- The Ascent of Money, Niall Ferguson
- The Cheating Culture, David Callahan
- The Skeptical Economist, Jonathan Aldred
- Predictably Irrational, Dan Ariely
- The Upside of Irrationality, Dan Ariely
- The (Honest) Truth About Dishonesty, Dan Ariely
- Freakonomics, Steven D. Levitt and Stephen Dubner
- The World Is Flat 3.0, Thomas Friedman
- Hot, Flat and Crowded, Thomas Friedman
- Something New Under the Sun, J.R. McNeil
- The Tipping Point, Malcolm Gladwell
- Blink, Malcolm Gladwell
- A Failure of Capitalism, Richard A. Posner
- The Return of Depression Economics, Paul Krugman
- Moonwalking With Einstein, Joshua Foer
- The Big Short, Michael Lewis
- Boomerang: Travels in the New Third World, Michael Lewis
- 13 Bankers, Simon Johnson and James Kwak
- The Naked Economist: Undressing the Dismal Science, Charles Wheelan
- After the Music Stopped, Alan S. Blinder
- What Money Can’t Buy: The Moral Limits of Markets, Michael J. Sandel
- Genghis Khan and the Making of the Modern World, Jack Weatherford

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“Education is the most powerful weapon which you can use to change the world”

Nelson Mandela, 1918-2013