

**COLLEGE OF CHARLESTON**  
**Department of Economics**  
**Principles of Macroeconomics (Econ 201), Section 03**  
**Spring 2023**

**Course Information**

**Instructor:** Dr. Jessica Madariaga  
**Class Mode:** In-person lecture  
**Class Times:** Tuesday and Thursday, 12:15 pm-1:30 pm  
**Classroom:** Beatty 115

**Office:** Beatty Center, Room 333  
**Office Hours:** Monday and Wednesday: 9:30am-10:30am  
Friday: 9:30am-11:30am  
Or make an appointment via email and we will meet using Zoom if the above times do not work.

**Telephone:** 843-953-1992

**E-mail:** [madariagajf@cofc.edu](mailto:madariagajf@cofc.edu) (Please note I stop checking email after 7 PM)

**Prerequisites** ECON 200 and 3 credit hours of MATH

**Catalog** ECON 201

**Description** 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.

**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 by learning how to:

1. Calculate measures of economic performance including real GDP, price indices, the real interest rate, and unemployment
2. Discuss how production functions model the supply side of the economy; construct the labor market diagram. Analyze the consequences from labor supply and labor demand shocks in the labor market and production function diagrams when wages are flexible and rigid.
3. Derive the potential impacts of fiscal policy on GDP from the aggregate demand function as well as outline the limitations of fiscal policy
4. Explain the creation of money in a fractional banking system and the structure of the Federal Reserve
5. Define the tools of the Federal Reserve and understand the reasoning behind monetary policy decisions.
6. Graphically show how economic stability and growth are influenced by fiscal and monetary policy using the AD-AS-LRAS model.

**School of Business Learning Outcomes:**

**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.

**Intellectual Innovation and Creativity:**

Students are able to demonstrate their resourcefulness and originality in addressing extemporaneous problems.

**Economics Learning Outcomes:****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.

**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 assessed on an in-class assignment.

**Course Map**

Below you will find details how the course will progress. This includes explanations regarding:

1. How the course is structured;
2. Attendance, participation and policy on face masks;
3. Required material and optional text;
4. Grading and how to submit assignments;
5. Time commitment to be successful;
6. Classroom expectations and where to go with technical difficulties.

**Course Structure**

You are expected to actively participate in the class by engaging in all the readings, attending lectures, taking your own notes, and completing all assignments on time. Specifically, students will be expected to complete online in-class assignments due every Wednesday and Friday, turn in online homework on Sunday, complete four in-class exams, and a final exam.

**Homework assignments are due on Sunday by 11:59 p.m. EST** and can be found in the Quiz tool in OAKS.

**"In-class" assignments are due every Wednesday and Friday by 11:59 p.m. EST** (except when an exam is scheduled for Thursday) and can be found in the Quiz tool in OAKS.

**Exam dates can be found on the syllabus** and can be found in the Quiz tool in OAKS.

**Attendance:** It is my expectation that you will attend class in person unless you have made alternative arrangements with me prior to the start of class due to illness, medical reasons, or the need to isolate or quarantine due to COVID-19. The topics and content explored in the course will be taught and communicated via class demonstrations, activities, and lectures. Therefore, attendance and participation are crucial for a complete understanding of course material. 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 there is an emergency, please excuse yourself from class quietly,

In the event you find yourself experiencing COVID-19 related symptoms, I request that you do the following:

1. Stay home! This is the best way to prevent spreading COVID-19 as supported by scientific evidence.
2. Get tested immediately. If you test positive, it is my expectation (although this is not required) that you will notify me to guarantee a feasible plan is in place so you can finish the semester. In the case that you are not able to finish the coursework by the end of the semester, we will need to consider options that may include a medical withdrawal or incomplete for the semester.

**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.

**Face Masks** Until otherwise announced, the College does not require face coverings for members of the campus community. I will always follow College protocol regarding face masks, so please be aware that mandatory face masks may be required if policy changes.

**Required Material** OAKS, including Gradebook, will be used for this course throughout the semester to provide the syllabus, class material, readings, graded work, and grades for each assignment, which will be regularly posted. You can locate OAKS through My Charleston <https://my.cofc.edu/> or directly at <https://lms.cofc.edu/>. This means access to a computer or mobile device with high-speed internet is required for this class.

Additionally, a certain degree of comfort with technology, such as downloading and uploading files, creating pdfs, scanning documents is needed to be successful in this course.

**Optional Text** Olney, Macroeconomics as a Second Language, ISBN: 9780470505380

Additionally, there will be a number of articles and book chapters posted on OAKS that I **expect** you to read. The class reading schedule is located on the last page of the syllabus and can be assessed on OAKS.

## 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.**

Method 1	Method 2	Method 3	Method 4	Method 5
Exam I: 0%	Exam I: 15%	Exam I: 15%	Exam I: 15%	Exam I: 17.5%
Exam II: 15%	Exam II: 0 %	Exam II: 15 %	Exam II: 15 %	Exam II: 17.5 %
Exam III: 15%	Exam III: 15%	Exam III: 0 %	Exam III: 15%	Exam III: 17.5%
Exam IV: 15%	Exam IV: 15%	Exam IV: 15%	Exam IV: 0%	Exam IV: 17.5%
Homework: 15%	Homework: 15%	Homework: 15%	Homework: 15%	Homework: 15%
In-Class Work: 15%	In-Class Work: 15%	In-Class Work: 15%	In-Class Work: 15%	In-Class Work: 15%
Final: 25%	Final: 25%	Final: 25%	Final: 25%	Final: 0%

## Exams

Four exams and a final will be given in the course during specified times noted on the schedule. Exams will consist primarily of multiple choice questions, 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 unless the absence comes from representing the College in an approved event.

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 and if arrangements can be made to do so.

Students will be allowed to use their book and notes for the exams, BUT students are not allowed to use the internet or have assistance /collaboration from any other individual during exams. If students engage in this behavior, expect an F in the course and an immediate notification of the student's violation to the Honor Board.

I will allow scratch work for partial credit to be attached to your exam. All scratch work must be legible and must be turned in as a **single pdf file** with the following labeling "**last name\_first name\_exam**".

## Homework

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

1. Murphy's Law: "Anything that can go wrong, will go wrong." Laptops are stolen. Hard drives crash. Your wireless connection fails. So, do not wait until the last minute to submit homework assignments.
2. I will drop your two lowest homework grades. Therefore, if you miss an assignment due to a prior engagement, an illness, or simply because you forgot to do the assignment, the dropped homework will cover these missing assignments. In short, late homework will not be accepted under ANY circumstances.

3. There will be no extensions granted for individual students under any circumstances. If you are sick, there are built in drop homeworks to cover these circumstances. As noted above, if you are sick, please let me know.
4. I require that all homework assignments are done through the OAKS tool for quizzes. Homework will be due **every Sunday by 11:59 p.m. EST, except for Easter Sunday, where the homework will be due on Monday, April 10<sup>th</sup>.**
5. I will allow scratch work for partial credit to be attached to your online homeworks for fill in the blank mathematical questions (no multiple-choice questions). All scratch work must be legible, must be turned in as a **single pdf file**, and must be labeled as **“last name\_first name\_hmwkx”**.

**In-Class Work** 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 to help you internalize the concepts presented during lectures. **In-class assignments are due every Wednesday and Friday by 11:59 p.m. EST.** I will drop four in-class assignments at the end of the semester. Therefore, if you miss an in-class assignment due to a prior engagement, an illness, or simply because you forgot to do the assignment, the dropped in-class assignments will cover these missing assignments. In short, late in-class assignments will not be accepted under ANY circumstances.

**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 over email both the question that you believe was unfairly graded along with the economic reasoning for why your answer was correct. A written response over email 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.

**Students are expected to complete online assignments far enough in advance to avoid losing points due to computer malfunctions, power outages, or similar rare events. If a student is unable to complete a graded assignment, they should inform the professor (prior to the assignment’s due date if possible) and up to one exam, 1 homework, and 2 in-class assignments may be excused from the student’s grade at the professor’s discretion (this is in addition to the 2 dropped homeworks and 4 dropped in-class assignments already allocated).**

**Time Commitment for Success** It is essential that you stay on top of the course assignments. I will post due dates and reminders, but it is your responsibility to make sure you do not fall behind. The material can be challenging and may take significant effort to master.

To be successful in the class,

1. **Expect approximately seven to ten hours a week of active work in the class.**
2. **Anticipate logging into the course at least 3 days per week.**

3. **Complete assignments on time.** In macroeconomics, every new concept is built on previous material so give yourself enough time to process and fully understand the material.
4. **Ask questions related to course content and reading as they arise.** Questions can either be emailed to me, asked during class, or asked during office hours. Remember, macroeconomics builds on itself, the more you understand the early material, the easier the class becomes in the latter part of the semester.

**Substantial Interruption of Instruction**

If the College deems it unsafe for the entire class to meet in the classroom during the semester, we will immediately switch to online learning. In this environment, class meetings will be held via Zoom during normal class periods. By attending and remaining in this class, the student consents to being recorded if we need to switch to online learning. In the case of severe weather that results in classes being canceled, the missed lectures will be recorded using Zoom and made available to students through OAKS. In either emergency (COVID-19 or severe weather), students should have continued access to a computer with a web camera, microphone and internet access as they will still be responsible for lectures and assignments posted on OAKS.

**Student Behavior in the Learning Environment**

As stated in the Student Handbook: “ a college classroom requires a higher level of courtesy than many people exercise in ordinary public space. Everyone in a classroom is there for the purpose of learning, and no one should be able to deprive another person of the chance to learn. Expressions of rudeness and even carelessness degrades the high purpose of learning that should be paramount in a college classroom.”

To maintain a respectful and supportive environment, the below outlines expectations regarding

1. Classroom etiquette
2. Online communication with your instructor either through email or office hours,
3. Video call etiquette
4. Where to address technical difficulties

**Classroom Etiquette**

Please be respectful of each other, the instructor, and any guest presenters while in class. All cell phones and pagers are to be turned off or silenced during class. All cell phones are to be put away out of view during class; there is no text messaging, web browsing, etc, during class. Any disrespectful or disruptive behavior may result in your being dismissed from class and/or an academic penalty. Please remember we are all here to learn!

**Email**

Most organizations are dependent on email for internal and external communications. As ECON 201 is in the business school, I will enforce each student to use email etiquette so that it will be second nature when you enter the labor force. When corresponding with me, please:

1. Include ECON 201 in the subject line
2. Include a respectful greeting (Hi Dr. Madariaga or Dear Dr. Madariaga)
3. Use complete sentences
4. Proofread your email

Typically, I will respond to your email within 24 hours during the weekday, although my response time will be slower on the weekends (48 hours). I stop responding to emails after 7 pm. If you do not receive a reply within 48 hours, please re-send your message. **My response time is the same for emergency and non-emergencies.**

**Office Hours** If email does not sufficiently answer your question (or you would simply like to talk face-to-face), I am more than happy to talk during office hours or over Zoom after an email request for an office hours appointment. I will use Zoom for any times outside 9AM – 2PM hours because it allows for synchronous communication similar to face-to-face interactions and allows flexibility in our meeting times when I may not be on campus.

**Video Etiquette** Should we need to go virtual for a period of time, I expect all students to comport themselves online just as they would in a classroom. Students should be appropriately attired. Backgrounds should not be distracting. In case we must switch to on-line learning, microphones should be muted. Students who consistently don't meet well-known standards will be warned. If students do not change their behavior after being warned, then I reserve the right to bring students before the Honor Board for obstructing the education of their peers.

**Technical Difficulties** If you have technical problems, please contact Student Computing Support or Helpdesk using these methods:

1. Student Computing Support: (843-953-5457) or [studentcomputingsupport@cofc.edu](mailto:studentcomputingsupport@cofc.edu)
2. IT Service Desk: (843-953-3375) or [itservicedesk@cofc.edu](mailto:itservicedesk@cofc.edu)

**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**. The phone number for Disability Services/SNAP is 843-953-1431 and the web address is <https://disabilityservices.cofc.edu>

**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> 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 XXF

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 2023**

**WEEK OF:**

January	12	Introduction to the macroeconomy: Long-Run Growth & GDP
	17	Introduction to the macroeconomy: Business Cycles
		Calculating GDP: Product Approach
	19	Calculating GDP: Product, Expenditure vs. Income Approach
	24	Calculating GDP: Nominal vs. Real GDP [FW Approach]
	26	Calculating GDP: Chain-Weighted Real GDP Approach
February	31	Calculating Price Indices: GDP Deflator, CPI, and Inflation
	02	Calculating Interest Rates and calculating unemployment rate: U3-U6
	07	Calculating Unemployment Rate: U3-U6, Types of unemployment
	<b>08</b>	<b>Exam Review Session at Night</b>
	<b>09</b>	<b>Exam 1</b>
	14	Production Function
	16	Production Function and Labor Demand Curve
	21	Labor Market: Labor Demand Curve and Labor Supply Curve
March	23	Labor Market: Equilibrium in the Labor Market/Flexible
	28	Labor Market: Equilibrium in the Labor Market/Flexible/Sticky Wages
	<b>01</b>	<b>Exam Review Session at Night</b>
	<b>02</b>	<b>Exam #2</b>
	<b>07</b>	<b>Spring Break</b>
	<b>09</b>	<b>Spring Break</b>
	14	Equilibrium in the Labor Market/Flexible/Sticky Wages
	16	Fiscal Policy: Great Depression and Keynesian Model
	21	Fiscal Policy: Keynesian Model/ Multipliers and Fiscal Policy
	23	Fiscal Policy: Problems with Implementation of Fiscal Policy
	28	Monetary Policy: Definition of Money/Intro of Federal Reserve
April	<b>29</b>	<b>Exam Review Session at Night</b>
	<b>30</b>	<b>Exam #3</b>
	04	Monetary Policy: Definition of Money/Intro of Federal Reserve
	06	Monetary Policy: Policy Tools of the Federal Reserve
	11	Monetary Policy: Taylor Rule and Monetary Policy
	13	AD-AS-LRAS : Deriving the AD-AS Curve
	18	AD-AS-LRAS : Deriving the AD-AS-LRAS Curve
	20	AD-AS-LRAS : Deriving the AD-AS-LRAS Curve
	<b>24</b>	<b>Exam Review Session at Night</b>
	<b>25</b>	<b>Exam #4</b>
May	<b>03</b>	<b>Final Exam 1pm-3pm</b>

\*\*\*The schedule is tentative and has the potential to change over the semester\*\*\*

**ECON 201, Macroeconomics**  
**Reading Schedule**

**Reading Schedule:**

Olney, Macroeconomics as a Second Language

WMS: Williamson, Macroeconomics

ABC: Abel, Bernanke, and Croushore, Macroeconomics

CFO: Case, Fair, and Oster, Principles of Macroeconomics

CT: Cowen and Tabarrok, Modern Principles: Macroeconomics

KW: Krugman and Wells, Macroeconomics

ALL: Acemoglu, Laibson, List, Macroeconomics

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]
Equilibrium in the Labor Market	ABC: Equilibrium in Labor Market [OAKS: pg. 83-87]
Great Depression/Keynesian Model	Olney: pg. 89-105 pg. 113-126 pg. 134-153, 158-161, 163 pg. 169-173
Keynesian Model	
Keynesian Model/ Multipliers	
Problems with Implementation of Fiscal Policy/ Definition of Money	Olney: pg. 164, 174-195 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]
Policy Tools of the Federal Reserve	CT: Tools of the Fed [OAKS: pg. 321-336]
Taylor Rule	Olney: 263-282 ABC: Taylor Rule [OAKS: pg.570-574]
AD Curve	In class discussion
LRAS/ AS Curve	Olney: pg. 247-257 pg.268-276
AD-AS-LRAS Model	In class discussion

