

PRINCIPLES OF MACROECONOMICS
ECONOMICS 2020 – Fall 2012
T/H 9:10 – 10:30 OSH 102

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Thursdays 4-5pm or by appointment. You can find Kaner in cubicle #5 on the south side
of the 3rd floor of OSH.

Overview and objectives:

This course is intended to introduce students to main macroeconomic principles and theories. The focus will be on understanding the workings of three markets of a modern economy: the goods market, the financial market and the labor market. The goal is to learn how to think about macroeconomic issues in an analytical way. To this end some use of basic algebra and calculus as well as graphs will be necessary. Discussions of macroeconomic policy and tools and extensive references to current economic issues faced by the US economy and global economy in general will play a central part of the class. A successful student will, by the end the semester, become familiar with main policy debates on fiscal and monetary policy, fiscal deficits and the global economy. In order to grasp contemporary debates about how economies and economic policies work in the real world, students will be asked to read articles from economic journals and newspapers such the Financial Times or the Wall Street Journal.

Course Material:

Required Textbook:

Principles of Macroeconomics, 10th ed., by Karl E. Case and Ray C. Fair, Pearson Prentice Hall. The textbook can be purchased from the university's bookstore.

Other materials:

Various blogs that focus on macroeconomic issues are available online. Some of these are Brad Setser's blog (<http://blogs.cfr.org/setser/>), Financial Times' blogs (<http://www.ft.com/comment/blogs>). As I find interesting articles for you to read I will post them or the link to them on the Canvas (see below info on the use of Canvas for this course).

MyEconLab:

Assignments will be posted on myeconlab.com. You can access [myeconlab](http://myeconlab.com) using the code [XL0Z-B1H6-201Z-8B92](http://myeconlab.com) and login information you will receive after purchasing MyEconLab from <http://www.myeconlab.com/register>. Study guides, articles,

announcements or any other materials pertaining to the course will be posted on MyEconLab website and, sent by email.

Course Organization:

The class sessions will follow a lecture/discussion format. In addition to the presentation of formal macroeconomic models and theories I will try to go over as many actual examples and problems as possible. To this end during some of the classes I will ask you to work in groups on problems or case studies.

Course requirements:

There will be one midterm exam (see time schedule), one final exam and 10 assignments which will contribute to your final grade as following:

Final Exam:	30%
Midterm Exam:	30%
Assignments:	10*4% = 40%

Assignments will be posted on myeconlab and will include both multiple choice questions and some numerical or graph-based questions. The answers to the former will be entered online. For the latter, depending on the format, you will have to submit your answers on paper at the beginning of the class on the day the assignment is due.

Grades are not curved but will follow an absolute scale according to university's requirements:

93% and above A+, 90% -92% A-, 86-89%B+, 82-85% B, 79-81% B-, 76-78%C+, 73-75% C, 70-72% C-, 67-69% D+, 64-66% D, 60-63% D-,<60 F

Tentative date for the mid-term: Tuesday, October 16, 2012. The final exam will take place during the finals week which as of now is scheduled for Thursday, December 13, 2012 8:00 - 10:00 am. Both the final and the midterm exams will be in-class, closed book and closed notes and will cover numerical and non-numerical problems as well as multiple choice questions. Prior to each of the two exams we will do a review session based on a study guide that I will post on MyEconLab and send by e-mail. In preparation for the two exams you should work through the study guide, the problems you have received in your assignments and the problems we will be covering during class sessions.

Late assignments and make-up exam policy:

All assignments will be through myeconlab.com. The system will be set up such that after the deadline no answers to the multiple choice questions can be submitted. In other words no late assignments will be accepted. In terms of make-up exams, you will have to give me at least 4 weeks notice otherwise no make-up exam will be available. In case of family or personal medical emergency you will need to provide a note from a physician/hospital which will be checked by the department.

Other issues:

Students who need special accommodation for the exams will need to contact the University's Testing Center <http://www.sa.utah.edu/testing/>. Please be advised that you may need to provide a physician's note stating your condition.

Reading Schedule (tentative)

The length of the semester may prove insufficient for discussing in detail all the topics presented in the book. The main goal is to focus on chapters 5-15, and chapters 20-21.

WEEK 1	Introduction to Macroeconomics _ Chapters 1-5 Introduction to Macroeconomics _ Ch 1-5/ Debates in Macroeconomics _Ch 18
WEEK 2	Measuring National Input and National Income_ Chapter 6 Measuring National Input and National Income_ Chapter 6
WEEK 4	Long-run and short-run concerns _Chapter 7 Long-run and short-run concerns _ Chapter 7
WEEK 5	Aggregate Expenditure and Equilibrium Output_ Chapter 8 Aggregate Expenditure and Equilibrium Output_ Chapter 8
WEEK 6	The Government and Fiscal Policy_ Chapter 9 The Government and Fiscal Policy_ Chapter 9
WEEK 7	The Money supply and the FED_ Chapter 10 The Money supply and the FED_ Chapter 10
WEEK 8/9	Review for Midterm Exam Midterm Exam
WEEK 9	Money Demand and the Equilibrium Interest Rate _ Ch 11 Money Demand and the Equilibrium Interest Rate _ Ch 11
WEEK 10	Aggregate Demand in the Goods and Money Markets Ch 12 Aggregate Demand in the Goods and Money Markets Ch 12
WEEK 11	Aggregate Supply and the Equil. Price Ch. 13 Aggregate Supply and the Equil. Price Ch. 13
WEEK 12	Labor Market _Chapter 14
WEEK 13	Financial Crises, Stabilization, and Deficits_Chapter 15
WEEK 14	Long-run Growth _Chapter 17 Debates in Macroeconomics _Chapter 18

WEEK 15	Open-Economy Macroeconomics: Chapter 20 (<u>Final study guide on WebCT</u>)
WEEK 16	Developing and Transitional Economies_ Chapter 21 <u>Wrap-up and Review for Final Exam</u>