

PRINCIPLES OF MACROECONOMICS
ECONOMICS 2020 – Spring 2013
M/W 8:05 – 9:25 BUC 106

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Course Overview:

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 Objectives:

At the end of the course, a successful student will be able to:

- [1] Understand the general principles that underline the workings of the goods market, the financial market and the labor market in a modern economy.
- [2] Understand the mechanism and channels through which fiscal and monetary policies affect the macroeconomy.
- [3] Be familiar with current economic debates on macroeconomic intervention.
- [4] Understand how to use simple macroeconomic models to analyze an economy and to derive the effects of fiscal and monetary policies.

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 instructions at the end of this document. Study guides, articles, announcements or any other

materials pertaining to the course will be posted on MyEconLab website and, possibly on the Canvas. You can access the Canvas from your own U of U's portal (or account) at my.utah.edu.

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: Wednesday, March 6, 2013. The final exam will take place during the finals week which as of now is scheduled for Monday, April 29, 2013 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
WEEK 2	Introduction to Macroeconomics Ch 1-5 Measuring National Input and National Income Ch. 6
WEEK 4	Measuring National Input and National Income Ch. 6 Long-run and short-run concerns Ch. 7
WEEK 5	Long-run and short-run concerns Ch. 7 Aggregate Expenditure and Equilibrium Output Ch. 8
WEEK 6	Aggregate Expenditure and Equilibrium Output Ch. 8
WEEK 7	The Government and Fiscal Policy Ch. 9 The Government and Fiscal Policy Ch. 9
WEEK 8	The Money supply and the FED Ch. 10 The Money supply and the FED Ch. 10
WEEK 9	Review for Midterm Exam Midterm Exam
WEEK 10	Money Demand and the Equilibrium Interest Rate Ch. 11 Money Demand and the Equilibrium Interest Rate Ch. 11
WEEK 11	Aggregate Demand in the Goods and Money Markets Ch. 12 Aggregate Demand in the Goods and Money Markets Ch. 12
WEEK 12	Aggregate Supply and the Equil. Price Ch. 13 Aggregate Supply and the Equil. Price Ch. 13
WEEK 13	Labor Market Ch. 14
WEEK 14	Financial Crises, Stabilization, and Deficits Ch. 15 Open-Economy Macroeconomics: Ch. 20
WEEK 15	Developing and Transitional Economies Ch. 21 Long-run Growth Ch. 17
WEEK 16	Debates in Macroeconomics Ch. 18 <u>Wrap-up and Review for Final Exam</u>

To register for Macro2020:

1. Go to pearsonmylabandmastering.com.
2. Under Register, click **Student**.
3. Enter your instructor's course ID: [rada27398](#), and click **Continue**.
4. Sign in with an existing Pearson account or create an account:
 - If you have used a Pearson website (for example, MyITLab, Mastering, MyMathLab, or MyPsychLab), enter your Pearson username and password. Click **Sign In**.
 - If you do not have a Pearson account, click **Create**. Write down your new Pearson username and password to help you remember them.
5. Select an option to access your instructor's online course:
 - Use the access code that came with your textbook or that you purchased separately from the bookstore.
 - Buy access using a credit card or PayPal.
 - If available, get 17 days of temporary access. (Look for a link near the bottom of the page.)
6. Click **Go To Your Course** on the Confirmation page. Under MyLab / Mastering New Design on the left, click **Macro2020** to start your work.

Retaking or continuing a course?

If you are retaking this course or enrolling in another course with the same book, be sure to use your existing Pearson username and password. You will not need to pay again.

To sign in later:

1. Go to pearsonmylabandmastering.com.
2. Click **Sign In**.
3. Enter your Pearson account username and password. Click **Sign In**.
4. Under MyLab / Mastering New Design on the left, click **Macro2020** to start your work.

Additional Information

See **Students > Get Started** on the website for detailed instructions on registering with an access code, credit card, PayPal, or temporary access.