What caused the current recession? Could it become a depression? Why or why not? Are monetary and fiscal policy being used appropriately? Why does it matter? What’s GDP, and why does it matter? What causes unemployment and what can President Obama do about it? What’s inflation, and what harm does it cause? How fast will our economy and our wealth grow in the long-run. What is money and what role does it have in the economy? What’s the Fed and what is it doing now? What does China have to do with the U.S. economy? What does China’s exchange rate have to do with anything? What’s bad about government deficits and the national debt? The trade deficit? How does international trade impact our economy? What’s the role of the stock market and how can you make (and lose) a fortune on it?

Macroeconomics studies the behavior of the aggregate economy and deals with the determinants of a nation’s output and income, the determinants of the average level of prices and their rate of change (inflation), and the determinants of growth in an economy. While an Introductory Microeconomics course is highly recommended, it is not required if one is prepared to quickly catch-up (but if you have a choice, take Micro first). Above all, this is intended to be an interesting, important, useful, and demanding course dealing with issues you will certainly face in your private, public, and professional lives and which will provide you with useful and usable skills and insights (and some cookies).

Instructional Goals: Successful students will:
• Develop an understanding of macroeconomic terms, models, and institutions and of how the macro economy works
• Develop the ability to graphically, statistically and analytically examine macroeconomic variables, relationships and models
• Gain the tools necessary to understand and analyze current macroeconomic issues and policies and understand financial markets.
• Develop useful study, learning and collaborative skills.

IMPORTANT NOTICE. To take this course you MUST:
• Be prepared to put in the same time and effort as for a regular semester course, which is greatly compressed in the summer. This means regular attendance and 10+ hours of week on coursework outside of class. Unexcused absence from more than 2 classes will be grounds for failing the course.
• Have high-speed access to the Internet at least several times a week. (dorm, library, home, starbucks)
• Make regular use of the Sakai course management system for HW, Discussions, Announcements and Quizzes
• Obtain some version of the required textbook
• Possess and use an iClicker and bring it to class regularly
• Participate in and out of class.

If any of these are difficult for you, it will be necessary to take the course with a different instructor.

OTHER IMPORTANT NOTICES
• NO computer use in class. If there is a special reason for needing to use one, please see me.
• NO CELL PHONE use in class – not for calls, text messaging, or photographs/video. TURN THEM OFF If there is a special reason for needing to use one, please see me.
• Many students like my teaching style; some do not. Ask your friends, take a look at ratemyprofessors.com, look at Rutgers SIRS and decide whether my approach is for you. If not, there are several other excellent instructors you should try.
• Courtesy in class - do not plan on coming late or leaving early. If you must, see me before class. Also, no talking in class – it imposes external costs on others.

MEETING TIMES AND WEB ACCESS
The class meets Tuesday and Thursday evenings 6-9:40 pm and online 24/7. Each class meeting is 220 minutes (three hours and forty minutes), equivalent to 2.75 regular semester class meetings (80 minutes each). That is, each meeting is almost 3 regular semester classes and each week about 3 regular semester weeks. Note that each class hour is expected to be supported by 2 hours of reading and assignments done out of class.

**Attendance is required**, and students who miss more than 2 classes may fail the course.

My Economics Department web page is available through: [http://econweb.rutgers.edu/sheflin/](http://econweb.rutgers.edu/sheflin/) - it has a lot of links, some of which you will hopefully find useful. However, virtually all of the course material will only be available through Sakai – a web-based course management system. You are responsible for checking announcements, grades, and the discussion boards frequently.

**HOW THE COURSE WILL WORK**

**Before each class:** You will read the assigned text chapters and other online material. You will then answer 50 multiple choice questions drawn from the reading for that class that you will have to answer and be prepared to discuss in class. There will be some applications to be done, and investment decisions as part of the investment game. You will also look at the top news stories on the economy in print or online news sources.

**In Class:** We will make extensive use of graded, clicker questions to review, grade, and expand on the homework, current economic events, and investment game and other required homework. This requires that students do the work and participate.

**Tools:**
- Discussion Boards – you will use these to post and answer questions on what is due, how the course works, etc, and for help on homework questions that you will subsequently be tested on in class. Other students and I will try to help. There will be some extra credit for active, meaningful posters.
- Clickers – these will be used for testing, interaction, amusement
- Other – coming.

**GRADING** Grades for the course will be based on what you know about the course material at the end of the course – a little like the SAT. This will be measured by your total points on a comprehensive, cumulative final exam. Also factoring into your grade are the points from the dozens of graded questions each class which test you on the homework and additional applications. There will also be a brief written quiz each Thursday, consisting of 5-10 ‘fill-in’ type questions. There will be some extra credit as well.

**Clicker** – 300 points max - 3 x % of possible points you have gotten, with 10% added for forgotten clicker, absence, etc.

**Quizzes** – 100 points - best 4 of 5 weekly quizzes, each with 5-10 short written answers required, worth 50 points. Each quiz will include the previous 2 classes work (except for quiz 1 which just includes the first classes work)

**Final Exam** – 600 points - 75 multiple choice and 50 written ‘fill-in’ questions both drawn from the homework and weekly quizzes.

**Extra Credit** – 25 points (max) – added to total points. Assigned later.

**TEXTBOOK AND CLICKER**

**TEXTBOOK:** Brief Principles of Macroeconomics, Fifth or Fourth or Other Edition by N. Gregory Mankiw (2008: Cengage).

**WATCH OUT** - all Macro books are called Macro – we’re using the one by Mankiw (the non-brief Mankiw Principles of Macroeconomics is fine also, but may be more expensive; 4th edition is ok also)

Mankiw also has a Intermediate Macroeconomics text called Macroeconomics (not principles) – we are NOT using this).

Note: an older edition will work too, but you are responsible for translating chapters and pages.

**WE ARE NOT USING COURSECOMPASS OR APLIA**

**CLICKER:** An iClicker clicker – the brand name is iClicker – no other clicker will work in this course. Approximately $30.50 from NJ Books and $35 from other Bookstores.

- **Only clickers made by iClicker will work in this class.** iClicker is the least expensive and best brand available and I plan to use them for the foreseeable future.
• You can use the same iClicker in all classes using that brand.
• You can buy a used iClicker or use one from a previous semester, but YOU CANNOT SHARE IT WITH A FRIEND IN THIS OR ANOTHER CLASS as each clicker has a unique ID number associated with your name. (of course, next semester someone else can use it).

OFFICE HOURS
My office is 428 New Jersey Hall (emergency phone 932-993-7869 but email please) and my office hours will be before class, and by appointment. Most course-related questions should be brought up in class or on the discussion board in Blackboard. Office hours are primarily for casual chats, serious problems, and discussions about the meaning of life.
SYLLABUS

Note that we are covering the material in a very different order than the text – starting with the short-run Keynesian model and then turning to the long-run classical model. It is more interesting and more relevant this way, but don’t let references to material that we have skipped (particularly the long-run material) throw you off. We will come back to all of it later in the course. There are additional readings shown on the posted assignment for each class. The syllabus shows the date of the class, the chapters and sections in Mankiw to be read before that class, and when we will talk about advising issues and investment issues. Note more specific page references in each class’s assignment. Also note – each assignment contains considerable additional online readings and applications.

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<th>Class</th>
<th>Topic and notes</th>
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<tr>
<td>1</td>
<td>5/26 Economic Issues, Demand, Supply and the Meaning of (Economic) Life</td>
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<td>2</td>
<td>5/28 The Short-Run Keynesian Aggregate Supply and Demand Model (Advise 1) quiz 1 invest 0 – overview; advise 1</td>
<td>15 (skip sections on LR aggregate Supply)</td>
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<td>3</td>
<td>6/2 National Income Accounting – GDP etc invest 1-stock</td>
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<td>4</td>
<td>6/4 Money, Banking and the Federal Reserve System quiz 2; advise2 resume</td>
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<td>5</td>
<td>6/9 Recession and Monetary and Fiscal Policy in the Keynesian Model</td>
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<td>6</td>
<td>6/11 Inflation and the Short-Run Phillips Curve quiz 3; invest 2 – more stock</td>
<td>6, 17 (up to Shifts in the Phillips Curve), “The Costs of Inflation” from chapter 12 (pages 259-265)</td>
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<td>6/16 Some Financial Economics Advise 3</td>
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<td>8</td>
<td>6/18 The Long-Run/Classical Model and Inflation quiz 4; invest 3 – mutual funds</td>
<td>15 (sections on LR aggregate Supply), 12, 17 (starting at Shifts in the Phillips Curve)</td>
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<td>9</td>
<td>6/23 The Long-Run/Classical Model – Saving, Investment and the Financial System and Unemployment Advise 4</td>
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<td>10</td>
<td>6/25 Economic Growth Quiz 5; invest 4 - bonds</td>
<td>7, 18 (section on tax changes), 15 (last issue)</td>
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<td>11</td>
<td>6/30 International Macroeconomics Invest 6- derivatives</td>
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