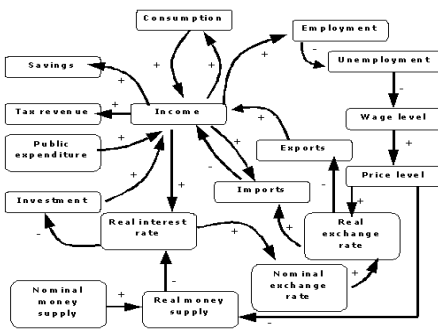


Honors Introduction to Macroeconomics 220:103:H2 12/24



What's the Fed going to do next? (**monetary policy**) And how will this affect you? Was the **great recession** avoidable? What did economists and politicians do wrong? Right? (**fiscal and monetary policy**) Could it have become a **depression**? What caused it? What did we do about it? Why does it matter? What's going on in Europe? And how does it matter to us? What's **GDP** and why is it "gross"? What causes **unemployment** and what policies can reduce it (want a job?) What's **inflation**, and what harm does it cause? And how about **deflation**? How do **interest rates** matter? How fast will our economy and our wealth **grow**? What is **money** and what role does it have in the economy? Why do **banks** matter? What's the **Fed** and what is it doing now? What are **monetary** and **fiscal** policies? 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 are the roles of the **stock market** and the **financial system** and how can you make (and lose) a fortune (**personal investing**)?



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**).

This **honors section** will differ in a number of important ways. It will be a smaller class allowing for more learning by doing (active education), more interaction, and more attention to each student's needs. While the coverage will be similar, there will be more supplementary material in this section, including web-based readings, data-based and analytical exercises, and more use of statistical/econometric modeling. Students will be expected to develop a broader and deeper grasp of the material. Each student will be required to see me at least once in office hours. The final will have written components as well as multiple choice, and there will be considerable feedback, assuring that students learn from their errors rather than repeating them. Also, cookies will be served weekly.

Instructional Goals: Consistent with the *Learning Goals of the Economics Department*, students will develop and demonstrate economic literacy, numeracy, citizenship and scholarship in the area of introductory macroeconomics. Specifically, students who satisfactorily complete Introduction to Macroeconomics will understand and be able to articulate the core principles, concepts and theories of modern macroeconomics (the basic aggregate demand and supply model, the multiplier, the Keynesian, Classical and Monetarist models, the open-economy macro model, neo-classical and new growth theory, etc). Students will begin to develop the ability to interpret and analyze economic data such as aggregate output, inflation, unemployment and growth rates. Through lectures, discussions, assignments and readings students will become familiar with the theoretical framework of macroeconomics and learn to apply it to the analysis of macroeconomic policy issues. Students will also get smarter and more interesting.

To take this course you **MUST**:

- Have high-speed access to the Internet often. (dorm, library, home, Starbucks)
- Make regular use of Sakai (Rutgers' online course management system)
- Carefully read the **required textbook** weekly (free, online)
- Buy or obtain an **iClicker** brand clicker and bring it to class regularly (the same clicker can be used by **ONE** student in multiple classes but **NOT** by multiple students) – starting with the first class.
- **Regularly attend class**, - **UNEXCUSED ABSENCES MAY BE GROUNDS FOR FAILING THE COURSE, and will lower your grade.**
- **Participate** in class and online chat rooms
- **Complete** graded weekly, on-line **assignments** which, along with reading, will take 4-6 hours per week.
- Use Quizlet (or other) **flash cards**
- **LOOK UP REQUIRED MATERIAL NOT CONTAINED IN THE TEXTBOOK.**

You must **NOT**

- use a computer in class. If there is a special reason for needing to use one, please see me.
- use cell phones in class – not for calls, text messaging, or photographs/video.
- come late or leave class early.
- **talk** in class – it imposes external costs on others.
- **Record audio or video** in class without explicit written permission
- *If any of these are difficult for you, it will be necessary to take the course with a different instructor*

MEETING TIMES, WEB ACCESS, OFFICE HOURS

The class meets MW 1:10-2:30pm HHB-2 CAC and online 24/7.

My Economics Department web page is: <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 <http://sakai.rutgers.edu> . You are responsible for checking announcements, grades, and the chat rooms frequently.

My **office hours** will be Wednesdays 3-4:15pm in New Jersey Hall 403 CAC and other times by appointment. There will be a signup tool in Sakai to reserve a time, or you can drop in if no one has previously scheduled for that time. Note that office hours are to discuss personal issues, the meaning of life, and sailing. Class questions should be asked in class or posted on the chat rooms first.

HOW THE COURSE WILL WORK

- **Before** each week's classes, you will read/print the **ASSIGNMENT** for the **next** week posted under RESOURCES in Sakai, and generally available by the Wednesday of the week before it is due (i.e. assignment 2 will be posted by Wednesday of week 1)
- You will do the textbook and supplementary readings, problems, and online graded multiple choice homework and other assigned items contained in the assignment **BEFORE** the first class of each week (generally Monday) Note that the **Supplementary readings** are important, the reading may differ from that shown on the syllabus, and it is **UP TO YOU TO FIND ANSWERS TO QUESTIONS** and problems, even if they are not in the textbook (hint: GOOGLE). It is also **ESSENTIAL** to **POST QUESTIONS** on the chat rooms and/or ask in class.
- You will make and use some form of **FLASHCARDS** to help you learn key definitions, concepts, analyses.
- You will interact with me and with each other through online chat rooms for homework and other questions you have trouble with, as well as for "when, how, what" questions and other course related issues (email is ONLY for very personal issues)
- In class, we'll deal with current events, applications, homework review for tough questions, all in question format with clickers – there will be little or no lecturing.
- We will be playing a stock investing game, and using various simulators and data bases in the course,
- There will be extra credit projects available
- There will be a **COMPREHENSIVE, MULTIPLE CHOICE FINAL EXAM** at the end of the course covering all the material and counting for the majority of your grade, encouraging to learn the material for the **long-run**. (ignore Keynes here)
- You will be reading print and/or online news sources.

GRADING

Grades in the course will be based on **weighted total points** from

- **graded, online, multiple choice homework** due before each class (10%), lowest several dropped
- three **in-class clicker quizzes** (10%), lowest one dropped
- a clicker **mini-midterm** (15%)
- **class participation and testing with clickers** every class (10%) with the lowest X days dropped (X will be revealed late in the course, 0 is a good number)
- a **comprehensive multiple choice and short-answer Final Exam** reflecting what you know at the end of the course (**55%**) – you will hate the heavy weight on the final – but it is intended to encourage you to study and learn the material for the long-run, not cram, and to give students who 'get-it' late in the course a chance (and an incentive) to do well. There will also be **extra credit projects** worth up to 2%. And lesser extra credit for documented attendance at the Learning Resource Center(s).

Note that students must earn a grade of C or better in this course to major or minor in economics. **Significant number of absences without justification will be grounds for failing the course.**

ATTENDANCE is **required** and reflected in clicker points from each class. Except for documented absence due to participation in official University events or **significant** illness or personal problems, there will be **no excused absences**. However, **I will drop the lowest several clicker day(s)**, the lowest several homework assignments, and the lowest clicker quiz. Please do not see me for single missed classes as up to X are automatically not counted (where X is a low number). If you miss **MORE** than two classes because of illness or a family emergency – **SEE ME (do not email)**, before or after class and please bring documentation about the cause.

Note that **I DO NOT LOOK AT OR USE THE UNIVERSITY ABSENCE REPORTING WEBSITE**
<https://sims.rutgers.edu/ssra/>

SUBSTANTIAL UNEXCUSED ABSENCES MAY BE GROUNDS FOR FAILING THE COURSE AND WILL LOWER ONE’S COURSE GRADE BY A LETTER GRADE (B TO C for example).



TEXTBOOK AND READINGS **PRINCIPLES OF MACROECONOMICS** by Timothy Taylor (sort of), through **Openstax College** (Rice University <http://openstaxcollege.org/>) Available for **FREE** online at: <https://openstaxcollege.org/textbooks/principles-of-macroeconomics> as a downloadable, printable pdf or readable online (I have ordered a limited number of print copies through the bookstore, approximately \$35) or as an online web ‘page’ or as a downloadable epub file which can be read on many smart phones and other mobile devices – but I haven’t tried this yet. I am finding that the best way to read through downloadable pdf . The table of contents has links to each chapter (you can jump to each chapter).



There will be **weekly supplementary reading** assigned (see each weeks assignment posted in RESOURCES) and students are expected to keep on top of economics and macroeconomic news through regular reading of online news sources (google news, Bloomberg, etc) and/or **New York Times, Wall Street Journal** and/or online sources (note the Journal has student subscriptions at about \$1 per week: wsj.com/studentoffer (Note, totally optional, I’ve paid for my own subscription)



CLICKER We will be using **iClicker brand** clickers which sell for about \$45 new, with many available used for less. You **MUST** have your own clicker – you can share one with a friend **IN A DIFFERENT CLASS** but I would not advise this. You can buy a used one. You must bring your clicker to every class and must not bring someone else’s – there will be frequent checks for clickers that are in class when their owners’ are not.

There are 3 models of iclicker – the original one, an iclicker+ replacement for it and the iClicker2, more expensive, small screen, alphanumeric entry, - **any will work for this course.**

DO NOT ORDER YOUR CLICKERS FROM A DISTANT SOURCE – YOU WILL NEED THEM FROM THE VERY FIRST CLASS

FLASHCARDS are very helpful for most students to truly learn the material. We will likely use Quizlet, a free, online (and mobile) flashcard system

ACADEMIC INTEGRITY

Do not cheat, the penalties are severe, it is wrong, and in the long-run, you will not benefit. Do not:

- have someone click your clicker when you are not in class,
- talk about clicked questions unless you are told to do so,
- copy someone else’s homework or have someone help with yours,
- use the text or other sources when doing the homework

Using someone else’s words or thoughts without citing them is also cheating.

LEARNING CENTERS provide tutoring. There will be (small) extra credit given for every time you go. <http://rlc.rutgers.edu/contact.shtml> More information in class.

AUDIO-VISUAL RECORDING (sound, still photos, video) OF CLASS is NOT permitted without explicit written authorization of the instructor and notification of other students in the class, except where notification from the Office of Disability Services is provided.

SCHEDULE

Note that we are covering the material in a somewhat different order than the text We will cover all of it by the end of the course. **There are additional required readings shown on each week’s ASSIGNMENT which will be posted in Sakai.** The syllabus shows the week, the chapters and sections in the textbook to be read **before** that week, and the weeks when we will talk about advising issues and investment issues. **YOU MUST LOOK AT EACH WEEK’S ASSIGNMENT IN SAKAI (click on resources) TO SEE ADDITIONAL READINGS, AND CHANGES (the reading shown below is not complete) .** In addition, following the reading and other activities shown in the Assignment in Sakai each week, there will be HOMEWORK in the form of online multiple choice questions, due **BY OR BEFORE** the class in which they are shown. They will be available in Sakai by Wednesday of the week **before** they are due,

Week Beginning: (Monday date)	Assignment & hw due	Topic and notes	Textbook Chapters (addit’l readings will be in the posted ASSIGNMENTS in Sakai)
1 1/18	1	Economic and Macroeconomic Issues— <i>one class this week.</i>	1, 2 (just sections – see assignment for which)
2 1/25	2	Demand, Supply and the Meaning of (Economic) Life <i>last day to drop 1/26 last day to add 1/27</i>	3, Appendix A (parts, just skim)
3 2/1	3	The Short-Run Keynesian Aggregate Supply and Demand Model <i>advise 1 invest 0 – overview</i>	11, 12 (skip the section on The Phillips Curve– we will come back to it)
4 2/8	4	National Income Accounting – GDP <i>invest 1-stock</i> Clicker Quiz 1	1 (just page 17 – circular flow), 6
5 2/15	5	Fiscal Policy and the Short-Run Keynesian Model <i>resume Cfuncest advise2 resume</i>	17.4, 17.5, 17.6, appendix B –just the WORK IT OUT MODULES

6 2/22	6	Money, Banking and the Financial System <i>invest 2A-more stock</i>	14, 15.2 ONLY section 15.2 of chapter 15)
7 2/29 (leap year)	7	The Fed & Monetary Policy in the Keynesian SR Model Clicker Quiz 2	15
8 3/7	8	Price Indices, Inflation and the Short-Run Phillips Curve Invest 2B-yet more on stock, etc	9, 12 (just the <i>Phillips curve</i> section 12.3)
3/12-3/20		SPRING BREAK	
9 3/21	9	The Long-Run/Classical Model <i>Presidential game Last day to drop with a W is 3/21 advising 3-careers</i>	11 (just the <i>Keynes Law and Say's Law</i> section), 13
10 3/28	10	Unemployment and Wages <i>invest 3-mutual funds advise 3 Clicker Mini Midterm</i> covering weeks 1-8	8
11 4/4	11	Economic Growth & Present Value	7, 19.2 (just the section on <i>Improving Countries Standard of Living</i>)
12 4/11	12	International (Open Economy) Macroeconomics – trade, open-economy macro, xrates in the sr <i>invest 4-bonds</i>	See assignment for alternative reading, just sections 20.1, 20.4, 21.2, 21.5
13 4/18	13	International Macroeconomics continued bop, ppp, international finance <i>invest 5 – financial derivatives</i>	10.1-10.3, 10.5, 16, 18.4
14 4/25	14	Macroeconomic Issues and Controversies – Government Deficits, Stabilization, Evolution of Macroeconomics Clicker quiz 3	17.1-17.3,17.7, 17.4-17.6 (this is review), 11.6, 12.4, 13.3
15 5/2	15	Financial Crisis/Great Recession of 2007-9 <i>single class</i>	
		FINAL EXAM Tuesday May 10 noon (do not make travel plans for this date)	