

ECON 201 - Principles of Macroeconomics (Honors)

Winter 2019

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Class Website: <https://canvas.emich.edu/>
Office Hours: TR 10:00 a.m.-12:00 p.m.
and by appointment

“There is only one difference between a bad economist and a good one: the bad economist confines himself to the visible effect; the good economist takes into account both the effect that can be seen and those effects that must be foreseen.”

-Frédéric Bastiat (1801-1850)

“There is no such thing as a free lunch.”

-Milton Friedman (1912-2006)

Description

Economics is one of the fundamental social sciences because it systematically investigates the economic relationships and interactions among people living in a society. Students in the course acquire a basic understanding of both the subject of economics and the tools used by economists in their study of economic questions. (1) macroeconomics looks at how people and societies make choices, while weighing the costs and benefits of those choices. The basic assumption is that normal economic behavior is guided by a process of always seeking to get the maximum benefit at minimum cost; (2) introduces students to concepts such as supply and demand, business cycles, inflation and unemployment, money and banking, and taxing and government spending. Here students learn how economics research develops and uses numbers and models (simplifications) to explain changes in these concepts; (3) introduces students to some of the different interpretations of the desirability of changes and their outcomes. One school of thought explored focuses on “what is”, with no value judgments implied. Another school of thought focuses on “what ought to be”, based on value judgments about the social desirability of outcomes.

Students will:

1. Acquire an understanding of social science methods and of how they are used to engage in the systematic study of society and culture.
2. Understand and compare formal and informal social and political structures, organizations, and institutions.
3. Explore and understand power relationships and the impact of social change on different groups and on society in general.
4. Develop an appreciation of different interpretations of contemporary issues, institutions, or structures.
5. Use social science methods and content to interpret and analyze data and reports in the media and to make informed decisions regarding local, national, and international issues.

6. Use basic social scientific research techniques to examine and present information in a clear and concise manner.
7. Understand the relation between qualitative and quantitative research.

Prerequisites: Level 3 Math Placement or (at least a C in MATH 098 or above)

Course Materials

Recommended Textbook: Coppock, Lee and Mateer, Dirk. Principles of Macroeconomics, 2nd edition. Norton; 2018. (ISBN 978-0-393-28315-0); First edition available on reserve at the University Library.

Supplemental Textbook: Openstax Principles of Macroeconomics. This is a free textbook available on the web at <https://openstaxcollege.org/textbooks/principles-of-macroeconomics> that follows the course material somewhat closely.

Class notes will be posted on Canvas at least 24 hours before class.

Grading Policy

Your course percentage score will be based on the problem sets (approximately 14) and three exams. Your course percentage score will be calculated as a weighted-average of the percentage score you receive on each of the assignment groups. The problem sets are one assignment group, while each exam is an individual assignment group, making a total of four assignment groups. The weights used in the calculation are:

- Problem Sets (each of equal weight): 10%
- Exam 1: 30%
- Exam 2: 30%
- Exam 3: 30%

I will round your course percentage score to the nearest whole number using standard rounding-techniques. That is, any number with a decimal of 0.50 and above will be rounded up, while a number with a decimal of 0.49 will be rounded down. The grading scale that will determine your course letter grade is:

A.....93-100%	C+.....76-79%
A-.....90-92%	C.....73-75%
B+.....86-89%	C-.....70-72%
B.....83-85%	D+.....66-69%
B-.....80-82%	D.....63-65%
	D-.....60-62%
	F.....0-59%

For example, if you receive a 92% on the problem sets, a 95% on exam 1, an 85% on exam 2, and a 92% on exam 3, your course percentage score and associated course letter grade are calculated as

$$92\% \times (0.1) + 95\% \times (0.3) + 85\% \times (0.3) + 92\% \times (0.3) = 90.8\%$$

which is rounded up to a 91%, corresponding with a letter grade of A-.

I will use Canvas's online grade book to record grades so that you will be aware of your grades throughout the semester.

Extra credit will not be given.

Problem Sets

Problem solving is essential to successful completion of this course. With this in mind, a problem set for (approximately) each chapter of the textbook we cover in class will be assigned (approx. 14 in total). Grades for each problem set are on an all-or-nothing basis. If you make an honest attempt at each problem in the problem set, you will get full credit for that assignment. *However, failure to attempt all of the problems in the problem set will result in no credit for that assignment. Also, you will not receive credit if you simply submit the pdf file of the solutions.* You are encouraged to work in groups, however each student must turn in his/her own assignment to get credit. Unless otherwise mentioned, problem sets are due one week after they are assigned and can be turned in via Canvas (preferred), email, or hard copy. Please do not submit any electronic files in Apple iWork format (Pages, Numbers, or Keynote). No late problem sets will be accepted.

Microsoft Office is available on the computers in the Economics Department computer lab (Pray-Harrold room 717). Also, all EMU students can download a copy of Microsoft Office onto their personal machine at https://www.emich.edu/it/help/licensed_software.php.

Exams

There are three exams in this class. The structure of the exams include a combination of multiple choice and short answer /problem solving questions. Each exam is worth 30% of your final course grade. The final exam is not comprehensive and will cover the material succeeding the second exam. The exams cover lecture material from class.

Grading curves for each exam may be implemented at my discretion.

Once you take an exam, you will not be allowed to re-take it.

Make-up exams will only be given in certain circumstances. I reserve the right to judge what types of reasons are legitimate. You must secure from me permission to miss an exam either before or after the fact. You will receive a grade of zero for any exam that you miss for which you do not have an excused absence.

Academic dishonesty is unacceptable and will not be tolerated. If you are caught cheating on an exam you will receive a grade of zero and the incident will be referred to the Office of Student Conduct and Community Standards for investigation.

Attendance

You are required to attend every class. A thorough understanding of the lecture material is essential for performing well on exams. If you miss a class then it is your responsibility to find out what you missed.

Grievance Policy

Anyone feeling that a dispute exists after the grading of an exam may submit a written grievance. The grievance should identify the item in dispute and provide arguments supporting the student's position. Grievances must be submitted within two class periods following the return of the exam. Attach your entire exam to the grievance. As for the final exam, the grievance should be emailed to me as an attachment within 24 hours after receiving your grade. If you do submit a grievance then I reserve the right to re-grade your entire exam.

Classroom Conduct

Any successful learning experience requires mutual respect. Neither instructor nor student should be subject to behavior that is rude, disruptive, intimidating, or demeaning. Views may differ on what counts as rudeness or courtesy. If you are not sure what constitutes good conduct in this classroom, ask the instructor. The instructor has primary responsibility for and control over classroom behavior and maintenance of academic integrity.

Students are expected to adhere to the standards and expectations detailed in the **Student Code of Conduct**. In addition, cell phones, side conversations, tardiness, foul language, and the use of open laptops and ipads/tablets for purposes other than for class will not be tolerated. These are very disruptive to students and if the problem persists I will ask you to leave. If you are caught cheating I will give you a zero for that assignment/exam.

University Policies

In addition to the articulated course specific policies and expectations, students are responsible for understanding all applicable University guidelines, policies, and procedures. The EMU Student Handbook is the primary resource provided to students to ensure that they have access to all University policies, support resources, and students' rights and responsibilities. Changes may be made to the EMU Student Handbook whenever necessary, and shall be effective immediately, and/or as of the date on which a policy is formally adopted, and/or on the date specified in the amendment. Please note: Electing not to access the link provided below does not absolve a student of responsibility. For questions about any university policy, procedure, practice, or resource, please contact the Office of the Ombuds: 248 Student Center, (734) 487-0074, emu.ombuds@emich.edu, or visit the website: <http://www.emich.edu/ombuds>

University course policies link: <http://www.emich.edu/studenthandbook/policies/academic.phpuniv>

Disability Concerns

It is my goal that this class be an accessible and welcoming experience for all students, including those with disabilities that may affect their learning in this class. If you believe you may have trouble participating or effectively demonstrating learning in this course, please meet with me (with or without an accommodation letter from the Disability Resource Center) to discuss reasonable options or adjustments. During our discussion, I may suggest the possibility/necessity of your contacting the DRC (240 Student Center; (734) 487-2470; swd.office@emich.edu) to talk about academic accommodations. You are welcome to talk to me at any point in the semester about such issues, but it is best if we can talk at least one week prior to the need for any modifications.

Tentative Course Outline

I. Introduction

Chapter 1: The Five Foundations of Economics
Chapter 2: Model Building and Gains from Trade
Chapter 3: The Market at Work: Supply and Demand
Chapter 4: Market Outcomes and Tax Incidence
Chapter 5 Price Controls

II. Macroeconomic Basics

Chapter 6: Introduction to Macroeconomics and Gross Domestic Product

Exam 1

Chapter 7: Unemployment
Chapter 8: The Price Level and Inflation
Chapter 9: Savings, Interest Rates, and the Market for Loanable Funds
Chapter 10: Financial Markets and Securities

II. The Long and Short of Macroeconomics: Theory and Policy

Chapter 11: Economic Growth and the Wealth of Nations
Chapter 12: Growth Theory

Exam 2

Chapter 13: The Aggregate Demand-Aggregate Supply Model
Chapter 16: Fiscal Policy
Chapter 17: Money and the Federal Reserve
Chapter 18: Monetary Policy

Final Exam: Thursday, April 25th from 1:30 p.m. to 3:00 p.m.