

**ECON-E 202
Section 2108
Introduction to Macroeconomics
Indiana University
Fall 2013**

Instructor: Arielle Knudsen
Email: asknudse@indiana.edu
Office Hours: Tuesday, Thursday 2:00-3:00 pm in Wylie 117, and by appointment
Office Location: Wylie 210

Class Times: M/W 4:00-5:15 pm
Class Location: Ballentine Hall 304
Course Website: OnCourse class page
Prerequisite: E201 Introduction to Microeconomics

Course Description

This course will teach you the language and tools of macroeconomics to gain insight into how the overall economy behaves and how its behavior affects your life. The economy is prominently featured in the news, and every commentator has his/her own opinion. By the end of this course, you will be better equipped to understand, evaluate, and analyze the macroeconomic information you hear daily, as well as better able to form your own educated opinion on current events.

Course Overview

- I. Macroeconomic variables**
Defining and evaluating usefulness of variables used to measure the economy's performance
- II. Long-run economic growth**
Discuss the sources of long-term economic growth and basic growth models
- III. Short-run fluctuations in growth**
Explain what occurs during the business cycle and why the economy experiences periods of recessions and expansions
- IV. Monetary and fiscal policy**
Discuss government intervention in the economy and its effects
- V. International economics**
Consider the impact of international trade on the economy, as well as the impact of monetary and fiscal policy when there is an open economy

Textbook

Hubbard and O'Brien, "Macroeconomics" 4th edition, 2013 (prior editions are okay too)

Grades

Your final grade will be determined by the following:

| | |
|--------------------|------------------------------------|
| Homework: | 10% |
| Midterm Exams (3): | 60% (20% each) |
| Final Exam: | 30% (25% if you participate in SI) |
| SI (optional): | 5% |

Exams

You will have three midterms and a final exam. The midterm exams will be taken during class on the scheduled dates. The final exam is comprehensive and **mandatory**. The location of the final exam will be announced during the semester. The **tentative** exam dates are as follows:

| | |
|----------------|---|
| Midterm Exam 1 | Wednesday, September 25 th |
| Midterm Exam 2 | Wednesday, October 23 rd |
| Midterm Exam 3 | Wednesday, November 20 th |
| Final Exam | Friday, December 20 th , 8:00-10:00 am |

If it is necessary to miss any midterm exam, contact me as soon as possible. If you miss a midterm exam, the weight of the exam missed will be shifted to the final exam. If you do not have medical documentation (or other similar documentation) 10% will automatically be deducted from your exam grade. The policy on missing one exam is fairly lenient. Any student missing more than one exam **must** have well documented health reasons for missing the exams.

Any student missing the **final exam** and not receiving an official excuse from me will receive a grade of zero for the exam. There are no make-ups for missing the final exam. If you are enrolled in two or more of the following courses you have a conflict—Economics E202, Business F317 & X100. Drop all but one of these conflicting courses now, unless you can resolve the conflict with your instructor(s) in the other course(s). Please do not ask if you may have an alternative time for the Economics E202 final—you will not be granted this request. Consult the final exam schedule to avoid additional conflicts.

Homework

Homework assignments will be turned in and graded. Homework will be collected at the beginning of class. Any homework turned in after class begins will have points deducted automatically. If you anticipate missing class on a day that an assignment is due, you may either turn in the assignment early or email me your assignment. In order to assess your comprehension of the material, I will randomly select a few questions on each assignment to grade more thoroughly than others. There will be approximately ten homework assignments throughout the semester (tentative due dates are listed below, but you should check the due date printed on the actual assignment in case the schedule changes). You are encouraged to discuss homework questions with classmates, but all work that you turn in must be in your own words. I understand that unexpected illnesses and events do occur, so I will drop your two lowest homework grades automatically. Please do not ask if you can make-up homework assignments- the answer will be no because I already drop your two lowest grades. Plan accordingly.

Supplemental Instruction

There will be two sections of Supplemental Instruction (SI):

| | | |
|-----------|--------------|---------------------|
| Monday | 7:30-8:30 pm | Ballentine Hall 138 |
| Wednesday | 8:30-9:30 pm | Ballentine Hall 138 |

SI sessions will begin on Monday, September 9th, and the final SI session will be on Wednesday, December 11th. Sections will meet every week, except for during Thanksgiving Break. SI is optional for students. It is meant to reinforce concepts studied in class. If you choose to participate, you will receive a grade based on attendance (see below). This grade will count for 5% in your final course grade, and your final exam weight will be reduced to 25%. You may opt out of SI anytime before Thursday, December 19th by emailing me. The SI grade is determined by the number of weeks you attend (attending two sessions in the same week only counts as one attendance point) out of the possible 13 weeks:

| <u>Number of attendance points</u> | <u>SI Grade</u> |
|------------------------------------|--|
| 11-13 points | 100% |
| 10 points | 95% |
| 9 points | 90% |
| 8 points | 85% |
| 7 or fewer points | No SI grade will be factored into your final grade |

You are responsible for keeping track of your SI attendance. Please do not ask me or your SI leader how many points you have accrued- we will not know until the end of the semester. Since you are allowed two free absences, there are no excused absences or make-up points for SI. Plan accordingly.

Grading Scale

| | | | | | |
|----|--------|----|-------|---|----------|
| A+ | 97-100 | C+ | 77-80 | F | Below 60 |
| A | 93-97 | C | 73-77 | | |
| A- | 90-93 | C- | 70-73 | | |
| B+ | 87-90 | D+ | 67-70 | | |
| B | 83-87 | D | 63-67 | | |
| B- | 80-83 | D- | 60-63 | | |

The last day to withdraw from the class and receive an automatic “W” is Wednesday, October 23rd by 4:00 pm. This is also the last day to get a withdrawal slip signed without a special petition. After this date, you can obtain a late withdrawal from a course only by first receiving special permission from the dean of the college. Such permission is VERY difficult to get. University rules specify that permission for late withdrawals is “given only for urgent reasons relating to extended illness or equivalent distress” to a student who is “passing the course on the date of withdrawal.”

Miscellanea

If you desire classroom/testing accommodations for a disability, contact me outside of class. Present the written supporting memorandum of accommodation from the Office of Disability Services for Students (<http://studentaffairs.iub.edu/dss/>). Requests for accommodations must be made **no less than two weeks in advance of need**. No accommodation should be assumed until authorized by your instructor.

Indiana University guidelines are followed on issues of academic dishonesty (<http://www.iu.edu/~code/code/responsibilities/academic/index.shtml>). Academic dishonesty includes, but is not limited to, cheating on exams and copying homework from others. A grade of zero will be given for any assignment or examination on which the student is guilty of cheating. The incident will be reported to the Dean of Student’s Office.

Modification of policies may be required during the semester. I will make explicit announcements pertaining to any such changes.

Course Outline

The following is brief overview of the course schedule (including homework due dates and exam dates). Topics are subject to change. Mondays before exams are generally reserved for tying up loose ends from chapters covered on exams and a brief review of material.

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|----------------------|--|
| Week 1 8/26, 8/28 | Introduction to the class; E201 Review |
| 2 9/4 | Monday: No class; Wednesday: Chapter 8 GDP |
| 3 9/9, 9/11 | Chapter 8 GDP (cont'd); Chapter 9 Unemployment Homework 1 due Monday 9/9 |
| 4 9/16, 9/18 | Chapter 9 Inflation; Chapter 10 Financial System Homework 2 due Monday 9/16 |
| 5 9/23, 9/25 | Homework 3 due Monday 9/23 Exam 1 Wednesday 9/25 |
| 6 9/30, 10/2 | Chapter 11: Long-run Economic Growth |
| 7 10/7, 10/9 | Chapter 13: Aggregate Demand and Aggregate Supply Homework 4 due Monday 10/7 |
| 8 10/14, 10/16 | Chapter 14: Money and Banks Homework 5 due Monday 10/14 |
| 9 10/21, 10/23 | Homework 6 due Monday 10/21 Exam 2 Wednesday 10/23 |
| 10 10/28, 10/30 | Chapter 15: Monetary Policy |
| 11 11/4, 11/6 | Chapter 16: Fiscal Policy Homework 7 due Monday 11/4 |
| 12 11/11, 11/13 | Chapter 17: Unemployment and Inflation Homework 8 due Monday 11/11 |
| 13 11/18, 11/20 | Homework 9 due Monday 11/18 Exam 3 Wednesday 11/20 |
| 14 | Thanksgiving Break |
| 15 12/2, 12/4 | Chapter 18: Open Economy |
| 16 12/9, 12/11 | Chapter 19: International Financial System Homework 10 due Monday 12/9 |
| 17 | Final Exam Friday 12/20 8:00-10:00 am |