

Economics 102, Principals of Macroeconomics

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Purpose of the course

This class has two main goals. It will train you to better understand global and national Macroeconomic events (recessions, expansions, etc.), including the recent financial crisis and the current economic slump. It will also give you the necessary background for future classes in Economics and Business.

Grades

Your course grade is only based on your exam grades. Homework will be assigned but not collected. There will be four exams weighted as follows:

Exam Dates	% of Grade	Material Covered
Feb. 8 (Wed.)	15%	[KW09] Ch. 7–9
Feb. 29 (Wed.)	25%	[KW09] Ch. 10–12
Apr. 4 (Wed.)	25%	[KW09] Ch. 13–15
Apr. 30 (Mon. 12–2 p.m.)	35%	[KW09] Ch. 6–16 & 18

[KW09] refers to the required textbook, *Macroeconomics* by Paul Krugman and Robin Wells.

The exams will be a mix of multiple choice (between one half and two thirds of the total points) and short answer questions. The short answer questions will be taken word-for-word from the assigned homework, which will be questions from the textbook announced in lecture. So, even though the homework is not graded directly, it is graded indirectly on the tests.

I do not give make up exams, but we can make arrangements if you have a legitimate reason for missing a test.

How to get a good grade

Any student who is disciplined and works hard can do well in this class. I recommend the following work habits:

- *Attend every lecture and take notes.* The lectures will track the textbook fairly closely, but I will try to integrate the material and emphasize the parts that are the most important, so attendance helps you

understand and synthesize the material. Taking notes helps as well. Actively writing down the material as you listen forces you to process and understand it better than listening passively. You are allowed to take notes on a laptop, but I strongly discourage it. Writing notes by hand engages you more in the lecture. More important, it's just too easy to go online and tune out.

- *Reread all of your lecture notes daily.* You should spend about half an hour each day reviewing all of your notes for the class. Systematic review will help you learn and remember the material much better than cramming the night before an exam.
- *Do the homework on your own without the answer key.* Once the homework questions are announced in lecture, start working on them. If you are stuck, read about the topics covered by the question earlier in the chapter. When you think you have an answer, try to think about how you would know whether it is correct or not—how would you convince a classmate? When you are finally sure that you have an answer, understand why it is correct, and know how you would convince a classmate that it is correct, then you should look up the answer in the answer key and compare it to yours.

Taking this approach will direct you to the parts of the textbook that you need to understand better, it will force you to understand issues similar to those the question addresses, and it will get you to understand the reasoning behind the answer. Also, and this is an *advantage*, this approach is more difficult than doing the homework using the answer key as a guide. Recent research on study habits indicates that you remember and understand something better when you struggle to learn it than you do when it comes without much effort.

- *Get a good night's sleep before the exam.* If you follow the first three steps, you won't need to cram for hours the night before an exam. Start reviewing the material a few days before the test and try to catch up on your sleep so you can focus and think clearly.

Contact Information

The class meets Monday, Wednesday, and Friday from 1:10 to 2:00 in LeBaron 1210 and my office hours are Monday and Wednesday from 2:10 to 3:00 in Heady 467. The TAs' office hours haven't been set yet but will be announced on Blackboard Learn when they are available. If you have questions about the course material, the best times to address them are in the scheduled lectures or during office hours. We can probably resolve questions or concerns about the course administration over

email, but if you have urgent questions please stop by my office. The next table lists basic contact information for the instructor (me) and TAS:

Instructor	Email	Office
Gray Calhoun (Prof.)	gcalhoun@iastate.edu	467 Heady
Teaching Assistants		
Ms. Zizhen Guo	zzguo@iastate.edu	169 Heady
Mr. Hocheol Jeon	hjeon@iastate.edu	71 Heady
Ms. Xiying Liu	xiyingl@iastate.edu	280-D Heady
Mr. Kevin Meyer	meyer3km@iastate.edu	280-A Heady
Mr. Jikun Wang	jikunw@iastate.edu	271 Heady

I'm going to put PowerPoint slides, answers to the homework, and grades on Blackboard Learn. I'll put announcements and articles related to the class on Facebook (you can access this webpage even without a Facebook account). The URL is:

<http://www.facebook.com/pages/IA-State-Economics-102-Calhoun/107077152676914>

I'll announce everything essential in the lecture; the Facebook page presents additional material that can help you understand the material better but is not absolutely mandatory. My personal webpage is:

<http://www.econ.iastate.edu/~gcalhoun>

and it has links to the other websites.

Textbooks

Required

There is one required text that the lectures will follow closely:

- *Macroeconomics, Second edition* [KW09]. There are several different versions that you can purchase (loose-leaf, paperback, etc.). All of them are fine as long as you get the second edition, which has the homework questions used in the class. The website has additional material for the textbook:

http://bcs.worthpublishers.com/krugmanwells_macro2

Recommended

The next books are not required but are useful. Both use less math and provide different perspectives than the textbook.

- *The Little Book of Economics* [Ip10]. This book describes Macroeconomics with very few equations, charts, or graphs. It also talks about the recent financial crisis. This book can help if you want to understand how the topics covered by the textbook and lectures apply to current events.
- *Diary of a Very Bad Year: Confessions of an Anonymous Hedge Fund Manager* [Ges10]. This book comes from a series of interviews that the editor of a literary journal (n+1) did with a hedge fund manager during the recent financial crisis.

News and current events

Macroeconomics has dominated the news lately. You are not required to follow current events in this class, but you may find doing so interesting and useful. The following sources have particularly strong coverage of Economics:

- *The Financial Times*, a daily newspaper (<http://www.ft.com>)
- *The Economist*, a weekly news magazine (<http://www.economist.com>)

Policy for students with disabilities

Students who feel they may need an accommodation based on the impact of a documented disability should contact me privately to discuss their specific needs. Please contact the Disability Resources Office at 515-294-7220 in room 1076, Student Services Building to coordinate accommodations.

References

- [Ges10] Keith Gessen. *Diary of a Very Bad Year: Confessions of an Anonymous Hedge Fund Manager*. Harper Perennial, 2010.
- [Ip10] Greg Ip. *The Little Book of Economics*. Wiley, 2010.
- [KW09] Paul Krugman and Robin Wells. *Macroeconomics*. Worth, second edition, 2009.