

University of Massachusetts, Amherst

ECON 104

Sections: A, C, D, E, F

Introduction to Macroeconomics

Spring Semester 2008

Instructor: Patrick Dolenc
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Office Hours: Mondays & Wednesdays 2:00-2:30 & 4:30-5:00 or by appointment

Materials: Schiller, The Macro Economy Today, 10th or 11th edition, (McGraw-Hill).
Aplia customized course package (see registration instructions below)

Course Description: This course provides an introductory survey of the tools, topics, theories and policy options of macroeconomics. By semester's end you should be familiar with macroeconomic terminology, understand several macroeconomic models and their implications, and have developed analytical and quantitative skills (including the use of graphs) to explain and evaluate economic theories and events.

Course Grades:

Your course grade will be based upon:

Aplia Assignments	15%
Discussion Section	10%
Written Assignment	5%
Mid-Semester Exams (20% each)	40%
Comprehensive Final Exam	<u>30%</u>
	100%

Final grades will use the following scale:

93% & above:	A
90% to 92%	A-
87% to 89%:	B+
83% to 86%:	B
80% to 82%	B-
77% to 79%:	C+
73% to 76%:	C
70% to 72%:	C-
60% to 69%:	D

THE APLIA PROBLEM SETS:

Students will be accessing Aplia online throughout the semester in order to submit the required problem sets. There are two kinds of Aplia problem sets for each book chapter:

- 1) **Practice Problem Sets:** These problem sets are to be taken by students as practice but they will not be submitted and will not be counted as part of the grade. They are designed to provide feedback to students about their answers, along with a brief explanation.
- 2) **Graded Problem Sets:** These must be submitted and will be counted towards the grade. There are **28 graded problem sets** to be submitted. You get to drop your three lowest scores on these graded problem sets.

***** Use your three “free passes” carefully *****

When you register and access Aplia, you will see that each chapter has two problem sets, “I” and “II”. “I” will represent the practice problem set, and “II” will be the graded one. You are strongly urged to try the practice problem sets before you proceed with the graded ones. This will help you master the material and give you an easier time when answering the graded problem sets.

DUE DATE OF PROBLEM SETS: The **due date and time** are already set in the Aplia website. It is very important to remember the following rule:

Aplia does not allow for late submissions. It will reject your submission even if you are a second late. For example, if the problem set is due at 11:00 p.m. and you submit it at 11:00:02 p.m. (two seconds late), it will reject it. Any student who is late or who has not submitted the problem set will automatically receive a zero. The answers will be displayed immediately after the deadline. So please arrange to submit it in advance and not wait for the last minute.

Due dates are mostly (but not always) on either on Tuesdays or Thursdays.

INITIAL APLIA PROBLEM SETS: **Due Sunday February 3rd, at 11:00 p.m.** This is a collection of questions in two general areas: The first will show you and help you learn how to use Aplia and the second is designed to test your level of mathematical knowledge for the kind of mathematics and graphics concepts you need for this class. This first set of assignments includes two practice and two graded problem sets.

Aplia Registration Instructions

1. Connect to <http://www.aplia.com>.
2. Click the **System Configuration Test** link below the **Sign In** and **Register** sections to make sure you can access all of the features on Aplia's website. This takes just a few seconds and tells you how to update your browser settings if necessary.
3. Return to <http://www.aplia.com>.
 - If you have never used Aplia before, click the **New Student** button and enter your Course Key: **8S4U-EU5C-Q3TU**. Follow the instructions to complete your registration.
 - If you have used Aplia before, sign in with your usual e-mail address and password and enter your Course Key when prompted: **8S4U-EU5C-Q3TU**. If you are not prompted for a new Course Key, click the **Enter Course Key** button to enroll in a new Aplia course. Enter your Course Key when you are prompted.
4. If you understand your payment options, pay now. Otherwise, postpone your purchase decision by choosing the option to pay later. Your payment grace period ends at the end of the day on 02/17/2008.

Discussion Section: 10% of your course grade will be determined by your TA based on discussion section attendance and participation.

Written Assignment: Each student will complete a short paper connecting a real world event to a course theme. Guidelines for this assignment will be provided as the semester progresses.

Exams: Exams will draw from assigned reading, material covered in class, and Aplia assignments. The exam format will include multiple choice questions, short answers and problem solving. Short answer questions focus on various combinations of three themes as they relate to course content: (1) *explaining* concepts, (2) *applying* concepts concretely, and (3) *evaluating* the importance of a concept. Study guides with detailed guidelines will be distributed prior to each exam. The final exam is comprehensive.

Makeup Policy: Makeup opportunities are only available for circumstances beyond your control that can be documented. To be eligible for a makeup, contact me or your TA as soon as is reasonably possible. If you are eligible to take a makeup exam, plan to complete it within one week of the regularly scheduled exam to avoid a penalty.

Classroom Behavior: Treat all members of this class as well as opposing viewpoints with respect. If you come in late or must leave early, do so in the least disruptive manner possible. Turn your cell phone off or to a silent mode before each class session. If you fail to respect these guidelines you may be required to withdraw from the course.

This class will strictly adhere to the University policy on academic honesty, particularly with respect to "...the intentional use or attempted use of materials, information, or study aids other than those specifically authorized, in an attempt to claim credit for learning not one's own." The exams must be taken without assistance and assignments must be completed without unacknowledged assistance. Violation of this policy will result in failure for the particular exam or assignment, with more serious or repeat offenses resulting in failure for the course. For a more detailed discussion of the University policy, please refer to the **Undergraduate Catalog**.

*** If you have questions on these or other matters, please do not hesitate to ask. ***

Course Outline

- (Jan 28) Course Introduction
- (Jan 30) Introduction to Economics
Reading: chapter 1
- (Feb 4) Tools of Analysis
Reading: chapter 1 Appendix
- (Feb 6) A Global Context
Reading: chapter 2
- (Feb 11) Modeling International Trade
Reading: chapter 20
- (Feb 13) Globalization Debates
Reading: see course website
- (Feb 18) ** Presidents' Day ** (University Holiday)
- (Feb 19) *UMass follows a Monday Schedule***
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Reading: chapter 3 to **Supply**
- (Feb 20) Supply
Reading: complete chapter 3
- (Feb 25) Challenges to Invisible Hand Thinking
Reading: chapter 4
- (Feb 27) The Circular Flow Model

Exam #1 week of Mar 3: details to be announced

- (Mar 3) National Income Accounting
Reading: chapter 5
- (Mar 5) Macroeconomic Data
Reading: chapter 6
- (Mar 10) Inflation
Reading: chapter 7
- (Mar 12) The Business Cycle
Reading: chapter 8

*** **March 17 & March 19: Spring Break** ***

- (Mar 24) Introduction to Keynesian Economics
Reading: chapter 9 to **Investment**
- (Mar 26) Investment
Reading: complete chapter 9
- (Mar 31) Extending the Keynesian Cross Model
Reading: chapter 10
- (Apr 2) Wolves, Pussycats, & Termites
Reading: chapter 12

Exam #2 week of April 7: details to be announced

- (Apr 7) Origins of Money
Reading: chapter 13 to **The Money Multiplier**
- (Apr 9) The Money Multiplier
Reading: complete chapter 13
- (Apr 14) Central Banking
Reading: see course website
- (Apr 16) The Federal Reserve System
Reading: chapter 14
- (Apr 21) ** Patriots Day ** (University Holiday)
- (Apr 23) Monetary Policy
Reading: chapter 15 to **The Monetarist Perspective**
- (Apr 28) Monetary Policy
Reading: complete chapter 15
- (Apr 30) The Phillips Curve
Reading: chapter 16 to **Tax Incentives**
- (May 5) Exchange Rates
Reading: chapter 21 to **Exchange-Rate Intervention**
- (May 7) Exchange Rate Regimes
Reading: complete chapter 21
- (May 12) The Macro Economy today
Reading: check course website

Comprehensive Final Examination: details to be announced