

Fundamentals of Macroeconomics
EconS 102 M TU W TH F 12:00 – 1:15, ADBF 1002
Section 02 01216 – Summer 2017

Instructor: Kiriti Kanjilal
Office: Hulbert Hall 207E
Office Hours: TU TH 2:00 – 3:00 or by appointment
Email: kiriti.kanjilal@wsu.edu

Prerequisites: MATH 101, 103, 105, 106, 107, 108, 171, 201, 202, or STAT 205 or 212; or concurrent enrollment in MATH 106, 107, 108, 171, 201, 202, or STAT 212; or ALEKS placement score of 35% or higher.

Text: Macroeconomics in Modules, Krugman, P. and R. Wells. 3rd Edition, Worth Publishers, New York, 2014.

Course Description:

Macroeconomics aggregates individual units into large groups, so we consider how households react to higher prices, how a change in interest rates affect the investment decisions of the business sector as a group, or how exchange rates impact trade.

In this course, you will be introduced to aggregate models of the economy Gross Domestic Product (GDP), in inflation, unemployment, and trade balances to analyze economic activity, both here and abroad and to predict where the economy is going over the business cycles.

Most interesting of all, we will use these models to judge how government policy affects the economy. Will tax cuts really make us better off if we cut government spending to fund them? Is a low interest rate policy from the Federal Reserve always in the best interest of economic growth? Are free trade agreements beneficial to the U.S. economy? Macroeconomic analysis provides the tools to answer these questions.

Course Requirements:

I expect students to be actively involved in the learning process. This starts by keeping up with the assigned readings before class and watching the video lectures (where available). In this way, you become an active participant and we can engage in policy discussions. Please feel free to stop by my office during office hours or by appointment. I am here to help you and your feedback will help everyone in class.

You should be respectful of your fellow students by silencing your mobile devices, taking off your headphones in class, and not carrying on conversations with other students (unless it is part of your group work).

Student Learning Outcomes:

- Learn the basic terminology of macroeconomics.
- Apply the concepts of choice and opportunity cost to basic situations involving scarcity and clearly identify feasible choices.
- Understand the circular flow of the economy.
- Understand how the level of economic activity in an economy is determined.

- Understand the gains from international trade.
- Understand how a market based economy achieves short-run and long run levels of output.
- Critically appraise how government policies, monetary policy, and taxes affect GDP, unemployment, inflation and growth.
- Understand how the US economy interacts with the world economy.
- Analyze the foreign exchange market and balance of payments, and understand the relationship to international trade and capital flows.

This course is designed to meet the following WSU Learning Goals:

LG1 - Critical and creative thinking

LG2 - Quantitative Reasoning

LG3 - Scientific Literacy

Required Web Access:

Blackboard: Course information, lecture material, course links including homework and writing assignment (<https://learn.wsu.edu>)

Launchpad: Online homework and additional extra credit. An electronic copy of the text is also available at this website. You may access Launchpad via Blackboard.

Home Work Assignments:

There will be 5 assignments. Each will be due on Tuesday night at 11:59 pm. You should do these assignments on Launchpad (which can be accessed through Blackboard). Assignments will be based on the material covered from Monday to Friday of the previous week. I will drop the assignment with the lowest grade. You can attempt the assignment twice. However, you will have to re-do the entire assignment each time. Late submissions will not be accepted. Please ensure you setup Launchpad as soon as possible.

I may occasionally change certain specifics of the assignment like the number of attempts you have and due dates. In such a case, I will inform you verbally in class as well as by email.

In Class Activities:

Attendance will contribute to 10% of your final grade. Each day will have equal weightage in attendance. I will take attendance by passing a sheet of paper around for you to sign on. However, I will randomly check to see if every individual whose name is signed is present. Any malpractices with regard to this will directly lead to a 0/10 your attendance grade.

Since this is a short semester in terms of time, we have classes every day. This will mean that the course will move very quickly. I strongly suggest you attend and pay attention in classes so that it will be easier to perform on assignments and tests. Every question I ask in any test or assignment will have been covered in class.

If you attend more than 90% of the classes I will give you full points for attendance. However, I strongly recommend that you come to class as it will be extremely helpful for you.

Writing Assignments:

You will have writing assignments that will form 5% extra credit. These assignments will be optional. We will discuss these in greater detail on the first day of class.

Mid Terms:

You will have 4 mid terms. Each will be on the Friday of the second, third, fourth and fifth weeks of class. I will drop the mid-term with lowest score.

Final Exam:

Your final exam will be on July 28th, 2017 during class hours. However, this date can be changed if any of you have 2 other exams scheduled for that date. Any changes have to be established within the first week of class.

Special Instructions regarding the Final Exam Academic Rule 80: A student will not be granted special examinations for the purpose of leaving the institution before the close of the semester.

NO EARLY EXAMS. There are no exceptions to this policy. Students should determine final exam times and dates before making travel or vacation plans at the close of each semester.

Academic Rule 78: During final examination week, if the scheduled arrangement results in students having three or more examinations scheduled for any one day, any one of their instructors is authorized to excuse the students from the regularly scheduled examination and give a final examination to the students during the special exams time blocks.

Grading:

Component	%
Launchpad Homework Assignments (Dropping 1 lowest)	40
Midterms (Dropping 1 lowest)	30
Final examination	20
Class Attendance	10
Writing Assignments (Extra Credit)	5
Total Possible	105

Your letter grade will be determined according to the following percent distribution

Range (in %)	Letter Grade
Over 93	A
90 to 93	A-
86.6 to 89.9	B+
83.4 to 86.5	B
80 to 83.3	B-
76.6 to 79.9	C+
73.4 to 76.5	C

70 to 73.3	C-
65 to 69.9	D+
60 to 64.9	D
Less than 59.9	F

Course Topics:

This is a broad set of topics we will cover. However, I may make some changes depending on the time available. I will inform you of any changes both in class and by email.

Macro	
Module #	Topic
2	Production Possibility Frontier (Self-study. However, I will go over this quickly)
4	Demand
5	Supply and Equilibrium
6	Changes in Equilibrium
7	Price Controls and Quantity Controls
9	Intro to Macro
10	The Circular-Flow Diagram and the National Accounts
11	GDP
12	Interpreting Real GDP
16	Measuring Inflation
15	The Costs of Inflation
13	Defining Unemployment
14	Categories of Unemployment
18	Productivity and Growth
19	Long run Growth Policy
21	The Market for Loanable
23	The Financial System
24	The Multiplier
25	Consumption and Investment
26	The Income-Expenditure Model
27	Aggregate Demand
28	Aggregate Supply
29	The AD-AS Model
30	Fiscal Policy Basics
32	Budget Deficits and the Public Debt
33	Defining and Measuring Money
34	Banking and Money Creation
35	The Federal Reserve System
36	The Fed and Monetary Policy
38	Monetary Policy and the Interest Rate
39	Money, Output, and Prices in the Long Run

42	Crises and Consequences
43	Capital Flows and the Balance of Payments
44	The Foreign Exchange Market
45	Exchange Rate Policy

Attendance Policy:

Students are expected to attend class and participate in class activities. Students are also expected to complete online work in a timely manner. Because homework and writing assignments are available for long periods until their respective cutoff dates, work cannot be submitted or accepted after the cutoff date for each assignment, unless otherwise agreed upon with the instructor. Similarly, missed exams cannot be made up.

In the event of a medical excuse or other serious problems, exceptions to this no-makeup policy will be considered following University policies. See Office of the Registrar, Our Academic Regulations, No. 73 Absences: <http://registrar.wsu.edu/academic-regulations/> (you will need to scroll down.)

Academic Integrity:

As an institution of higher education, Washington State University is committed to principles of truth and academic honesty. All members of the University community share the responsibility for maintaining and supporting these principles. When a student enrolls in Washington State University, the student assumes an obligation to pursue academic endeavors in a manner consistent with the standards of academic integrity adopted by the University. To maintain the academic integrity of the community, the University cannot tolerate acts of academic dishonesty including any forms of cheating, plagiarism, or fabrication. Washington State University reserves the right and the power to discipline or to exclude students who engage in academic dishonesty. Students found responsible for academic integrity violations may receive an F on the particular assignment or exam, as well as an F for the course. Serious and/or repeated offenses may result in referral to the Office of Student Standards and Accountability and expulsion from WSU. Cheating is defined in the Standards for Student Conduct WAC 504-26-010 (3).

You can learn more about Academic Integrity on your campus using the URL listed in the Academic Regulations section or to <http://www.academicintegrity.wsu.edu/>. Please use these resources to ensure that you don't inadvertently violate WSU's standard of conduct.

Students with Disabilities:

Reasonable accommodations are available for students with a documented disability. If you have a disability and need accommodations to fully participate in this class, please either visit or call the Access Center (Washington Building 217; 509-335-3417) to schedule an appointment with an Access Advisor. All accommodations MUST be approved through the Access Center. For more information contact a Disability Specialist at 509-335-3417, or on-line via <http://accesscenter.wsu.edu>, Access.Center@wsu.edu.

Safety and Emergency Notification:

Washington State University is committed to enhancing the safety of the students, faculty, staff, and visitors. It is highly recommended that you review the Campus Safety Plan (<http://safetyplan.wsu.edu/>) and visit the Office of Emergency Management web site (<http://oem.wsu.edu/>) for a comprehensive listing of university policies, procedures, statistics, and

information related to campus safety, emergency management, and the health and welfare of the campus community.

Classroom Safety:

Classroom and campus safety are of paramount importance at Washington State University, and are the shared responsibility of the entire campus population. WSU urges students to follow the Alert, Assess, Act protocol for all types of emergencies and the "Run, Hide, Fight" response for an active shooter incident. Remain ALERT (through direct observation or emergency notification), ASSESS your specific situation, and ACT in the most appropriate way to assure your own safety (and the safety of others if you are able).

Please sign up for emergency alerts on your account at MyWSU. For more information on this subject, campus safety, and related topics, please view the FBI's Run, Hide, Fight video and visit the WSU safety portal.