

ECON 111: Principles of Macroeconomics (Section 01, 02, 03)

Professor Yating Chuang

Fall, 2015

1 Administrative Details

Course schedule: MWF 1:00-1:50 (section 1) 2:00-2:50 (section 2) 3:00-3:50 (section 3)

Office: Stein 521

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Office hours: M Th F 10:00-12:00, and by appointment

2 Course Description

This course provides an introduction to the economic system through the lens of the aggregate behaviors of households, firms, and the government. In the beginning of the course, we will start from introducing essential concepts of economics. For example, how do people make decisions under scarcity? What is the opportunity cost of an action? How does market function? Second, we will focus on a set of fundamental concepts that helps us understand the macroeconomy, such as national accounting, growth, inflation, unemployment, interest rates, exchange rates, and fiscal/monetary policies. Throughout the course, we will touch upon important economic issues such as financial crisis, international trade, and globalization.

3 Learning Objectives

Upon completion of the course, students will be able to:

- Apply economic thinking in decision-making
- Understand the mechanics of supply and demand
- Interpret macroeconomic data such as GDP, growth, inflation and unemployment
- Analyze the macroeconomy with aggregate demand and aggregate supply

- Demonstrate basic understanding the effects of monetary and fiscal policies
- Critically evaluate economic issues in the news

4 Textbook

Greg Mankiw; *Principles of Macroeconomics*, 7th Ed, South-Western.
 ISBN-13: 978-1285165912.

Note: Aplia, an on-line learning solution, is not required, so you are welcome to buy a used book. The textbook is available in the college bookstore. There is also a reserved physical copy in the library, which will be located behind the circulation desk and can be checked out for 2 hours of in library use.

5 Grading

- Exams (60%): Midterm exams each counts for 15 %; final exam counts for 30 %. Midterm exam 1 on **Oct 5**; Midterm exam 2 on **Nov 9**; Final exam on **TBD**.
- Problem sets (20%): I will average **5** highest scores out of 7 problem sets. Each counts for 4 %.
- Writing assignments (20%): 4 Gobbets + 1 “News Time” summary. Each counts for 4 %.

Score	Grade
100-93%	A
90-92%	A-
87-89%	B+
83-86%	B
80-82%	B-
77-79%	C+
73-76%	C
70-72%	C-
67-69%	D+
60-66%	D
below 60	F

6 Course Requirements

6.1 Problem set

There will be **7** problem sets that may include multiple choice questions, short answers, and occasionally, questions that requires you to analyze and visualize data using Microsoft excel. At the end, I will drop the two lowest grades (**5** will be counted into your final grade). All problem sets are due **at the beginning of the class** on the due date. **I do not accept late homework.** If you need to be absent on the due date, you should plan accordingly.

You are encouraged to work together on the problems, but you have to submit your own answers. Economic Workshops are available to get peer guidance on problem sets, as well as anything else related to ECON 111 (the workshop meets on T, W and Th evenings from 7:00-9:30, in a room in Stein to be announced, anticipatedly beginning during the 3rd week of the semester).

6.2 Writing Assignment

The writing assignment should follow the format of 1-page, single space, 1 inch margin, and 12-pt font. Detailed grading rubric is on the Moodle website. In general, engaging a deeper argument is more important than the length of your paper.

6.2.1 Gobbet

Gobbet¹ is a 1-page response paper assignment. There will be **4** analytical gobbets in total. They will be related to topics on economic thinking, growth and wealth, financial crisis, and international trade. **All** of them will be counted into your final grade. This assignment reflects your thoughts on various economic debates, and will facilitate our classroom discussion. Thus, I expect you to complete the assignment **before the class**.

You must upload your gobbet **electronically** to Moodle before **11:59PM on the due date** (If it is due on Sep 27, the latest time your gobbet should be on the Moodle site is 11:59PM, Sep 27). I encourage you to upload your homework earlier in case of technical difficulty. Again, **no late assignment** is accepted.

¹The definition from wikipedia: "A *Gobbet*, derived from the Old French *gober* (to swallow) and etymologically related to *gobble* (to eat quickly), is a small chunk of meat, roughly the size of a mouthful. It is borrowed in modern use to indicate the concept of a small chunk, e.g.: *gobbets of text*, *gobbets of information*.^{[1][2]} In the study of history and classics, *gobbet* often refers to a brief analysis text of a larger work or body of source material."

6.2.2 News Time summary

In order to keep you on top of current events, you are expected to follow macroeconomic news closely throughout the semester. Starting from Sep 7, I will let you sign up for a **2-min news summary presentation**. No slides. I will strictly enforce the time limit. During the presentation, please concisely summarize the lesson you learn, and share your thoughts on the news event. **One day before you present**, you should upload your 1-page summary report on the Moodle website (If you present on Sep 7 in the class, you should upload your summary no later than 11:59PM, Sep 6). The format rule is the same as the gobbet.

You are encouraged to search for news from sources including *The New York Times*, *The Wall Street Journal*, *The Economist*, *Financial Times*, and among others. The best strategy is to closely follow the news regularly (not only one day before your presentation), so you have a better sense of the larger contexts. You may follow a particular news event, such as Trans-Pacific Partnership agreement, Greece debt crisis, Chinese Yuan depreciation, etc. Choose an macroeconomic issue that interests you the most!

6.3 Class Participation

Although class attendance is not counted towards your final grade, I strongly encourage you to come to class with your full concentration and participation. Based on my experience, students tend to struggle if they fail to attend (or concentrate in) the class. I will cover contents not explicitly covered in the textbook. We will also do in-class exercises to help you digest the materials more efficiently through interacting with your peers. I may also make announcement on the changes in the proposed textbook chapters and assignments from time to time. So if you miss a class, you should check with your colleagues.

You should also read the textbook before the class—it is the best formula for success. You should also take advantage of the textbook online resources to help you master the course materials. I expect you come to class fully prepared.

6.4 Exam

There will be **3** close-book exams. The midterms are not cumulative, and the final exam will cover the entire course with heavier emphasis on the later sections. On the exam date, you can use a four-function-only calculator, but you cannot use any other digital device (laptop, ipad, cell phone, etc). There will be NO make-up exam, so please plan your schedule carefully. The only exception is for a sanctioned Holy Cross event (For example, travel to/from and participation in an intercollegiate or club sporting event). If this is the case, you have to notify me at least **1 week** before the exam, and obtain the proof from the related representative in charge.

7 Course Rules

- Academic Integrity: Plagiarism and cheating in any forms are not tolerable. If you have questions about it, you can simply talk to me. You are encouraged to discuss the homework assignments together, but do not simply copy from others. There is no collaborations during the exams.
- Electronic Etiquette Policy: Cell phones (or any other iDigitals, or equivalence) should not be seen in the classroom (because they are designed to attract/distract you) and should be silenced or turned off during the class. If you have a reason to leave earlier and check your phone, you should notify me in advance. **No laptop** in the class. Paper and pen works the best for the graphs and notations in our economics models. Believe it or not, we got distracted and we humans are not as good as we thought at multitasking. (NPR reference here: <http://www.npr.org/templates/story/story.php?storyId=95256794>)! You can check out the more comprehensive reasoning here: <http://www.newyorker.com/tech/elements/the-case-for-banning-laptops-in-the-classroom>
- Email: You are more than welcome to ask me questions using emails. However, you should always check the syllabus or Moodle website before asking any logistic questions. For more involved questions, I encourage you to come to my office hour to talk in person. I check emails regularly, but please leave 24 hours for me to get back to you. If you want to ask questions about the assignments, you should keep this in mind in order not to miss the deadlines.

Email Etiquette is important in your professional life. I recommend you to read the tips here written by Professor Chris Blattman at Columbia University:
<https://chrisblattman.com/2010/11/08/students-how-to-email-to-your-professor-employer-and-professional-peers/>

- Lateness and Absences: If you will be absent, late for, or leave early from the class, you should kindly notify me in advance. Please minimize your disruption when going in and out of the classroom during class time.

8 Course Websites

I will post homework assignments and all relevant class materials on Moodle. Please check the Moodle page regularly in order to ensure that you see relevant posts, problem sets, tips for homework, etc.

9 Accommodations

Students With Disabilities: If you have a documented disability (or think you may have a disability) and, as a result, need a reasonable accommodation to participate in this class, complete course requirements, or benefit from the College's programs or services, contact Disability Services Coordinator **as soon as possible**. To receive any academic accommodation, you must request accommodation(s) each semester. If you need accommodations for the exams, you must give me at least **one week notice** (the earlier the better), since the disability office requires time to find space and a proctor.

10 Course Schedule

Note: This is the tentative schedule. Based on students' interests and backgrounds, the pace of class varies. If there are changes to this schedule, I will guide you along the way.

Date	Content	Due
9/2 (W) 9/4 (F)	Intro, and principles of economics: Ch 1, 2	
9/7 (M) 9/9 (W) 9/11 (F)	How markets work: Ch 3, 4, 5	
9/14 (M) 9/16 (W) 9/18 (F)	Supply, demand, and government policies: Ch 6, 7	PS 1 Due 9/14
9/21 (M) 9/23 (W) 9/25 (F)	Application: tax and trade: Ch 8, 9	PS 2 Due 9/21
9/28 (M) 9/30 (W) 10/2 (F)	National income & cost of living: Ch 10, 11	Gobbet 1 Due 9/27 PS 3 Due 10/2
10/5 (M)	Midterm Exam 1	
10/7 (W) 10/9 (F)	Production and growth: Ch 12	
10/12 (M) 10/14 (W) 10/16 (F)	Happy Fall Break	
10/19 (M) 10/21 (W) 10/23 (F)	Financial system: Ch 13, 14	Gobbet 2 Due 10/18
10/26 (M) 10/28 (W) 10/30 (F)	Unemployment: Ch 15	PS 4 Due 10/26
11/2 (M) 11/4 (W) 11/6 (F)	Monetary system: Ch 16	PS 5 Due 11/6

Date	Content	Due
11/9 (M)	Midterm Exam 2	
11/11 (W) 11/13 (F)	Money growth and inflation: Ch 17	
11/16 (M) 11/18 (W) 11/20 (F)	When countries trade: Ch 18 19	PS 6 Due 11/16
11/23 (M)	Movie: Overdose: The Next Financial Crisis	Gobbet 3 Due 11/22
11/25 (W) 11/27 (F)	No Class: Happy Thanksgiving!	
11/30 (M) 12/2 (W) 12/4 (F)	Financial crisis discussion AD & AS: Ch 20	Gobbet 4 Due 11/29
12/7 (M) 12/9 (W) 12/11 (F)	Fiscal and monetary policy: Ch21, 22, 23 Concluding remarks	PS 7 Due 12/9
TBD	Final Exam	