

ECON 102 Principles of Macroeconomics

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Course meetings: Blow Memorial Hall Rm 332, MW 2:00 PM - 3:20 PM
Office hours: Monday and Wednesday 1:00 PM - 1:50 PM,
Friday 10:00 AM – Noon

1. Course overview

Principles of Macroeconomics is designed as a course which should give you an overview of economics related to the study of the national and global economy. It will cover topics which are often in the news: Recession, unemployment, growth, inflation, monetary policy and the Federal Reserve, bonds and interest rates, government stimulus and the deficit, exchange rates, international capital flows and so on. The goal is ultimately for the students to be able to make a bit more sense of economic events discussed on TV and elsewhere. The course is a pre-req for many other courses in Econ. Personally, I think it is one of the most exciting classes offered in Economics.

2. Course materials

2.1. Textbook

We will use the following free internet edition of Charles Nelson's *Macroeconomics: An Introduction* in ECON 102.

- The book is available here:
<http://faculty.washington.edu/cnelson/macroeconomics.html>

2.2. Additional Readings

We will often look at what's going on right now in the U.S. economy and will talk about the economics behind news coverage of, for example, new growth estimates, inflation numbers, or policy decisions.

- I will include links on the slides or make those additional readings available on Blackboard.

3. Assignments and grading

3.1. Grading

I will calculate course grades based on the following items. You need to complete all items to receive course credit. Students not completing all items will receive an Incomplete or Fail the course.

Percent	Item
20	Homework assignments
25	Test 1
25	Test 2
30	Final Exam

In general, I will base grades on the following percentage scale with partial-percents typically rounded to the nearest full percent: A=93-100; A-=90-92; B+=88-89; B=83-87; B-=80-82; C+=78-79; C=73-77; C-=70-72; D+=68-69; D=63-67; D-=60-62; F<60.

The average for all Principles courses in Econ (all sections of 101 and 102) over the last semesters has been 2.95, so you can expect the distribution in this course to be in line with past scores.

In a graduate class such as this, any grade below a “C” on any assignment, exam, or paper suggests that a student is having trouble grasping basic course ideas, which are essential building blocks for future courses and the work world. Please talk with me if you find yourself having difficulty.

Finally, because errors sometimes creep into grade calculations (and on rare occasions assignments are misplaced after they have been handed in) please keep a copy of all work submitted for this course until final grades have been processed.

3.2. Homework assignments

Working exercises is essential. There will be a total of nine online home work assignments over the semester. They will be based on the course content extended by additional articles. Your understanding will be tested by an online multiple choice quiz. No late work will be accepted, if you don't finish the quiz by the deadline your score will be zero for that quiz. You can drop the lowest score for the homeworks. The score your receive on the other eight assignments will count for 20% of your class grade.

3.3. Exams

We will have two midterm exams. Each will consist of 34 multiple choice questions. The midterms are non-cumulative (of course you need to know the earlier topics to make sense of what comes later, but I won't go back to chapter 2 on the last midterm). You can bring one 8.5x11” double sided piece of paper with hand written notes, equations, etc for each exam.

There will be **NO make-up midterms and the date of the final exam cannot be changed for any reason.**

4. Other important notes

4.1. Daily class operation

You will develop professional habits of mind and get the most out of class by doing these things.

The night before class:

- Check Blackboard for relevant reading and course materials for our lecture.
- Do the readings. Even skimming the relevant pages for 15 minutes will be worth it. Do not expect to understand the material after only one read.

At the beginning of each class before lecture begins:

- Arrive on time and quietly take your seat if you are late.
- Close your email and Internet entertainment and disable all other electronic distractions.

During class:

- Ask questions when you do not understand something.
- Do not attend to email, the Internet, or other electronic distractions, including phones.

Attendance is not required but strongly encouraged. As you know from Micro, rational thinking may sometimes indicate that your opportunity cost of coming to the lecture is seemingly high (“the weather is really nice outside and some of my friends are going to the beach this Friday”). Don’t fool yourself, often people make these choices with myopic preferences (meaning putting too much weight on the short term) or being overly optimistic about their own abilities (“I know this stuff or can figure it out easily by teaching myself”). Most students (I would say about 80%) who skip regularly do relatively poorly once grades are submitted.

4.2. Appropriate use of computers in class

Your laptops can be powerful educational tools for this class. However, do not let them or other electronic devices distract you, your fellow classmates, or me from our in-class work. Students who use electronic devices in class inappropriately suggest that they possess neither the intellectual focus nor the respect for others needed to do real professional work. Those students end up developing reputations that make it difficult for faculty members to give them strong recommendations to other professors and future employers.

4.3. Academic misconduct

I begin each semester by assuming that academic misconduct will not be an issue, but as a policy matter I mention this on every syllabus. For any questions about policies regarding cheating, plagiarism, or other types of misconduct, please refer to the web site of the William & Mary Honor Council and the relevant pages about the Honor Code from the Student Handbook. If I discover a student violating the Honor Code I will initiate an Honor Council proceeding and, at a minimum, recommend to the Council that the student receive an “F” for the course. I take this issue extremely seriously, and hope you do, too.

5. Schedule

We will adjust this schedule as needed. Any changes to assignment or exam due dates will provide you with more time, not less time, to complete the work. You'll notice that the reading assignments repeat for some days. That is intentional because re-reading certain pages in a new context will help to deepen your understanding of prior concepts while establishing new ones.

Course Topics

- 1. An Overview of Economics**
- 2. National Income**
- 3. Savings and Investment**
- 4. The Cost of Living and Living with Inflation**
- 5. Growth and Recession in the U.S. Economy**
- 6. Money Banks and the Federal Reserve**
- 7. The Demand for Money**
- 8. How the Fed Moves the Economy**
- 9. Monetary Policy**
- 10. Government Spending, Taxation and Deficits**
- 11. Keynesian Fiscal Policy and the Multipliers**
- 12. The International Economy**