

ECON 102: Principles of Macroeconomics
Fall 2016
Section 1: MWF 10:00-10:50, Tucker Hall 127A
Section 2: MWF 12:00-12:50, Washington Hall 201

CONTACT INFORMATION

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Office Hours: MW 3:30-5:00, or by appointment

TEXTBOOK

- (Required) N. Gregory Mankiw, Principles of Macroeconomics, 7th Edition, Cengage Learning, 2015. ISBN-13: 978-1285165912

COURSE DESCRIPTION

This course will give you an overview of economics related to the study of the national and global economy. It includes topics such as unemployment, growth, inflation, monetary policy, Federal Reserve, bonds, and interest rates.

LEARNING OBJECTIVES

Students should be able to achieve the following course objectives:

- Understand how GDP, the unemployment rate, inflation, and economic growth are measured and be able to explain how these variables fluctuate in business cycle.
- Understand the difference between real and nominal variables
- Discuss the problems of high and low inflation
- Explain the role the financial system plays in the economy
- Analyze macroeconomic conditions using the AD-AS model
- Think critically about monetary and fiscal policy
- Know the Federal Reserve's policy goals and be able to explain how the tools of monetary policy create money and affect the economy
- Explain how automatic stabilizers work and why fiscal policy not only has short-run but also long-run effects

PREREQUISITES

ECON 101 (Principles of Microeconomics).

ATTENDANCE

Attendance is not required; however I strongly encourage you to attend class. Some of the topics covered in the lectures may not be covered in the textbook and you will be held responsible to know them for exams. Also, from my experience, students who attend class regularly do much better in the class than students who do not regularly attend lectures.

EXAMS

There will be three midterm exams, however I'll only count the two best midterm scores, and a comprehensive final exam. Each of the two midterms will count for 20% of your course grade. The final exam will count for 40% of your course grade. You'll not be allowed to take the final exams early. Exams will consist of multiple choice questions. *Basic* calculators are optional, but graphic calculators or cell phones are not permitted during exams.

Wednesday, September 14	Midterm Exam
Wednesday, October 17	Midterm Exam
Wednesday, November 18	Midterm Exam
Mon/Tue, Dec 12/13 (based on section)	Comprehensive Final Exam

If you miss the midterm exam and you have a documented excuse from the Dean's office, it will be the midterm that I'll drop for you. If you miss more than one midterm and have a documented excuse from the Dean's office, I will increase the weight of the one midterm you take to 35% and final to 45%. Excuses should be documented as far in advance as possible. If you miss an exam without a valid excuse, you will receive a zero and there will be no chance to earn those course points.

Please note that anything discussed in class or any topic in the assigned homework is "fair game" for the exams. There may be material presented in class that is not in your textbook, so make sure that you have a full set of notes from which to study. The exam questions will test your ability to understand and recall basic principles. They will also test your understanding of applications of theories, tools, and models. This means that you must learn to analyze hypothetical and "real world" problems that you encounter for the first time.

HOMEWORKS

A homework will be assigned after every few chapters (see the course outline below). In total, there will be 5 homeworks. Each homework will be worth 20 points (100 total), making up 20% of your course grade. The problem sets may consist of multiple choice questions, short-answer/analytical exercises, and/or reading summaries. They will train you to apply macroeconomic tools and concepts in the same way as you will be required for the exams.

All assignments will be assigned in Blackboard and will be due at 11:00 pm on the due date. Late work will *not* be accepted. Problem sets are graded on accuracy as well as on effort. Answers that are vague, difficult to read, or incomplete will not receive full credit. I encourage you to seek help if you are confused or want further clarification. I also encourage you to practice other questions from the textbook or consult study guides.

GRADING PROCEDURES

The classes will be a mixture of lecture, discussion, and review. The weight of the final exam is higher than the midterm exams to reward students who show improvement during the semester. The grading scheme follows:

Activity	Points	Percent
Homeworks(5@20)	120	20%
Midterm Exam	100	20%
Midterm Exam	100	20%
Final Exam (comprehensive)	200	40%

If you want to appeal any grading, you must contact me no later than one week from the date I post your score. The following table indicates the minimum number of points needed to guarantee a certain grade.

Grade	Minimum Points	Percent
A	465	93
A-	450	90
B+	435	87
B	415	83
B-	400	80
C+	385	77
C	365	73
C-	350	70
D+	335	67
D	315	63
D-	300	60
F	<300	<60

HONOR CODE

The College of William & Mary has had an honor code since at least 1779. Academic integrity is at the heart of the College, and we all are responsible for upholding the ideals of honor and integrity. The student-led honor system is responsible for resolving any suspected violations of the Honor Code, and I will report all suspected instances of academic dishonesty to the honor system. The Student Handbook (www.wm.edu/studenthandbook) includes your responsibilities as a student and the full Code. Your full participation and observance of the Honor Code is expected. To read the Honor Code, see www.wm.edu/honor

ADA ACCOMODATION

William & Mary accommodates students with disabilities in accordance with federal laws and university policy. Any student who feels s/he may need an accommodation based on the impact

of a learning, psychiatric, physical, or chronic health diagnosis should contact Student Accessibility Services staff at 757-221-2509 or at sas@wm.edu to determine if accommodations are warranted and to obtain an official letter of accommodation. For more information, please see www.wm.edu/sas.

ACADEMIC INTEGRITY

All academic work in this course, including homework, quizzes, and exams, is to be your own work, unless otherwise specifically provided. It is your responsibility if you have any doubt to confirm whether or not collaboration is permitted.

Plagiarism is not acceptable. Plagiarism in the form of “deliberate” or “reckless” representation of another’s words, thoughts, or ideas as one’s own without appropriate attribution to the original author in connection with submission of academic work, whether graded or otherwise, is a serious breach of academic integrity demanded by the Honor Code and one of the most common forms of academic misconduct processed by the honor system.

TENTATIVE COURSE OUTLINE

This is a *tentative* outline. Consequently, this outline is subject to change. Any changes will be announced in class.

Introduction

Ten Principles of Economics	Chapter 1	Aug. 24
Thinking Like an Economist	Chapter 2	Aug. 26
Market Forces of Supply and Demand	Chapter 4	Aug. 29, Aug. 31

The Data of Macroeconomics

Measuring a Nation's Income	Chapter 10	September 2, 5
Measuring the Cost of Living	Chapter 11	Sept. 7, Sept. 9
Catch-up/Review		Sept. 12

Reminders:

Last day to add/drop: 9/2

Homework #1: Assigned 9/5, Due 9/12

***Midterm Exam I (Chapters 1,2,4,10,11): Wednesday, September 14

Midterm Exam I Review		September 16
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The Real Economy in the Long Run

Unemployment	Chapter 15	Sept 19, 21
Production and Growth	Chapter 12	Sept. 23,26
Saving, Investment, and the Financial System	Chapter 13	Sept. 28,30
The Basic Tools of Finance	Chapter 14	Oct. 3,5

Money and Prices in the Long Run

The Monetary System	Chapter 16	Oct 7, 12
Catch-up/Review		Oct 14

Reminders:

Homework #2: Assigned 9/21, Due 9/28

Homework #3: Assigned 10/7, Due 10/14

Fall Break: 10/8-10/11

***Midterm Exam II (Chapters 12-16): Monday, October 17

Midterm Exam II Review		Oct 19
Money Growth and Inflation	Chapter 17	Oct 21, 24

Short-Run Economic Fluctuations

Aggregate Demand and Aggregate Supply	Chapter 20	Oct 26, 28
Influence of Monetary and Fiscal Policy on AD	Chapter 21	Oct 31, Nov 2
SR Trade-Off Between Inflation and Unemployment	Chapter 22	Nov 4, 7

The Macroeconomics of Open Economy

Open-Economy Macroeconomics: Basic Concepts	Chapter 18	Nov 9, 11
Macroeconomic Theory of the Open Economy	Chapter 19	Nov 14, 16

Reminders:

Problem Set #4: Assigned 10/24, Due 10/31

Problem Set #5: Assigned 11/9, Due 11/16

Last day to withdraw: 10/21

*****Midterm Exam II (Chapters 17-22): Monday, November 18**

Midterm Exam III Review	Nov 21
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Final Thoughts

Six Debates over Macroeconomic Policy	Chapter 23	Nov 28, 30
Overall Review		Dec 2

*****Final Exam (Comprehensive), Section 1: Monday, December 12, 2:00-5:00pm**

***** Final Exam (Comprehensive), Section 2: Tuesday, December 13, 9:00 am - 12:00**