



**WILLIAM & MARY**

CHARTERED 1693

ECON 304 – 1 (10041)  
**Intermediate Macroeconomic Theory**

August 24-December 2, 2016

MWF 10-10<sup>50</sup> am  
133 Tyler Hall

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## COURSE DESCRIPTION

This course covers the theories of aggregate economic behavior.

A prerequisite for this course is ECON 102. Course delivery is blended (classroom and online). 3 credit hours

## COURSE MATERIALS

### Course Website:

[https://blackboard.wm.edu/webapps/blackboard/execute/modulepage/view?course\\_id=4342\\_1&cmp\\_tab\\_id=7901\\_1&editMode=true&mode=cpview](https://blackboard.wm.edu/webapps/blackboard/execute/modulepage/view?course_id=4342_1&cmp_tab_id=7901_1&editMode=true&mode=cpview)

### Textbook

Barro, Robert (2010) *Intermediate MACRO*, South-Western Cengage Learning  
ISBN 978-1-4390-4009-6

### Helpful Macroeconomic Sites:

Investopedia [www.investopedia.com](http://www.investopedia.com)

Amos Web [http://www.amosweb.com/cgi-bin/awb\\_nav.pl?s=awb](http://www.amosweb.com/cgi-bin/awb_nav.pl?s=awb)

Federal Reserve Economic Data (FRED) <https://fred.stlouisfed.org/>

IMF Macroeconomic and Financial Data <http://data.imf.org/?sk=388DFA60-1D26-4ADE-B505-A05A558D9A42>

## COURSE OUTCOMES

Upon completion of the course, the successful student will be able to:

1. identify factors of long-term growth and connect microeconomic processes with improvements in standard of living
2. apply the equilibrium business cycle model
3. incorporate the government sector (transfer payments, taxes, etc.), inflation, and money into this model
4. show how incomplete information, sticky prices, and other market failures, affect the setting of rational expectations
5. explain how international macroeconomics affect the national economy
6. conduct “real world” economic analysis by applying “Brexit” to macroeconomic processes
7. express cogent economic thoughts orally and in writing

## COURSE POLICIES

### Honor Code Policy

A student violates the Honor Code if he or she engages in lying, stealing, cheating or plagiarism, receives unauthorized assistance, uses unauthorized materials, submits previous work, violates time constraints, or fails to follow directions with the aim of receiving an unfair advantage, as described in Section VI of the Student Handbook. This professor acts upon all such violations of the Honor Code. Sanctions, described in Section X of the Honor Code, include formal hearings, grade penalties, and/or failure in a course.

### **ADA Student Services**

Students with documented physical, learning, or mental disabilities who desire accommodation should contact the ADA coordinator, Kiersten L. Boyce, Chief Compliance Officer, Title IX and ADA/504 Coordinator, 108 James Blair Hall, 757-221-3146, [klboyc@wm.edu](mailto:klboyc@wm.edu). The Family Educational Rights and Privacy Act (FERPA) protects student privacy, including informing faculty.

### **Policy on Discrimination and Harassment**

Students who have been treated differently on the basis of a personal factor unrelated to qualifications or performance, such as, for example, race, religion, or age, should contact the Chief Compliance Officer, Kiersten L. Boyce, Chief Compliance Officer, Title IX and ADA/504 Coordinator, 108 James Blair Hall, 757-221-3146, [klboyc@wm.edu](mailto:klboyc@wm.edu).

### **Communication Etiquette**

We shall foster a positive and enjoyable learning experience for both faculty and students. In all communication, the expectation is that exchanges remain respectful of all viewpoints. This affirms the Ethics Policy of the College, which requires that we comply with ethical norms and are honest, fair, and trustworthy.

### **Deadlines for Assignments**

Assignments must be submitted on the date set in the Syllabus and as posted on Blackboard. In the case of a family or health emergency, students must contact the professor with 48 hours or lose points.

### **Attendance and Participation Policy**

Learning is social as well as psychological. (We share experiences with others and learn from each other.) This course requires social engagement while learning, which requires active participation in class and on Blackboard.

### **Extra Credit Policy**

Any extra credit will be made available to everyone in the class. No individual extra credit assignments are possible. This affirms the Honor Code such that no student receives an unfair advantage.

## **ASSESSMENTS IN THE COURSE**

### **Timing**

Students will have ample time to complete assignments. Check Blackboard to see what assignments are upcoming. Work cannot be submitted after its deadline.

### **Grading Scale**

A = 93-100%	B- = 80-82%	D+ = 67-69%
A- = 90-92%	C+ = 77-79%	D = 63-66%
B+ = 87-89%	C = 73-76%	D- = 60-62%
B = 83-86%	C- = 70-72%	F = Less than 60%

## Assessments for course grade

Homework	13 sets @ 0 points	
Quizzes	7 drop lowest score @ 10 points each (60 points)	23.1%
Applied Research Project	100 points	38.5%
<i>1 p Outline</i>	<i>10 points</i>	
<i>Progress Report 1</i>	<i>10 points</i>	
<i>Bibliography</i>	<i>20 points</i>	
<i>Progress Report 2</i>	<i>10 points</i>	
<i>Final Project</i>	<i>50 points</i>	
Final Exam	100 points	38.5%
Total Points	260	100.1

### Homework Problems

Homework are mostly assigned out of the textbook. Problems may be discussed in class and among students. Homework problems are not graded, but are reflected in quizzes that monitor progress.

### Quizzes

Quizzes will reflect recently completed material and are largely based upon homework problems. No quizzes will take place during the last week of classes.

### Applied Research Project

Students work in groups of 2-5 on applied macroeconomic propositions. Assignments that monitor progress are completed through the semester with online submission and an informal presentation at the end of the semester. See tasks and rubrics at the end of the Syllabus.

### Final Exam

Homework assignments, quizzes and the applied research findings will make up the final exam. Students will be advised of any additional material for which they are responsible. The Final Exam will be a review and validation of student learning.

## COURSE SCHEDULE

Week	Focus of the Week	Homework Problems	Additional Assignment
Before course	Read syllabus	Understand tasks included in the syllabus	Purchase book
1	Chapters 1	None	Form research groups and report these to professor or have a group assigned
2	Chapter 1 & 2	Ch2 Review Questions 1-3 Ch2 Problem for Discussion 4	Research groups meet to brainstorm propositions.
3	Chapter 3	Ch3 Review Questions 3-5 Ch3 Problems for Discussion 7-8	<b>Quiz 1 (Ch 1-2)</b> Research groups develop methodology. <b>Submit 1 p outline</b>
4	Chapter 4	Ch4 Review Questions 2-3	Group meets weekly
5	Chapter 5	Ch5 Review Question 2 Ch5 Problems for Discussion 3c	<b>Quiz 2 (Ch 3-4)</b> Group meets weekly. <b>1<sup>st</sup> verbal progress report this or next week</b>
6	Chapter 6	Explain equations in Ch6 in words/concepts Ch6 Review Questions 1 & 4 Ch6 Problem for Discussion 6	<b>1<sup>st</sup> verbal progress report if not yet done</b>
7	Chapter 7  Begin Chapter 8	Explain equations in words or concepts Ch7 Review Questions 2-4	<b>Quiz 3 (Ch 5-6)</b> Group meets weekly
8	Chapter 8 No class Monday	Ch8 Problems for Discussion 2 & 5	<b>Submit Bibliography</b>
9	Chapter 10	Ch10 Review Question 2a-e Problems for Discussion 12	<b>Quiz 4 (Ch 7-8)</b> <b>2<sup>nd</sup> verbal progress report</b>
10	Chapter 11	Ch11 Problems for Discussion 8 & 10	Groups meet weekly
11	Chapter 12	Explain equations in words or concepts Ch12 Review Question 1 Ch12 Problem for Discussion 3a-b	<b>Quiz 5 (Ch 10-11)</b> Groups meet weekly
12	Chapter 13	Compare theoretical effects of consumption tax, income tax, and poll tax Ch13 Review Question 1 Ch13 Problems for Discussion 4 & 8	Group's research is finalized
13	Chapter 14	Find debt clock online	<b>Quiz 6 (Ch12-13)</b>

		Ch14 Review Question 3 Ch14 Problem for Discussion 4	Groups finalize work and all members proofread the work
14	No class on Wednesday or Friday		<b>Quiz 7 (Ch 14)</b> <b>Submit group's analysis</b>
15	Discussion of research projects	<b>Informal presentation and discussion of groups' research and analysis</b>	Mandatory attendance
16	Final Exam	<b>Monday December 12: 2pm</b> (This test should take 30-75 minutes)	Grades posted on Blackboard

## RESEARCH OF MACROECONOMIC PROPOSITIONS

The following are propositions commonly espoused regarding the macroeconomy. Students will explore and research a claim about the economy and present their work to the class.

1. TAXES: **Keep taxes (on personal income, property, corporate profit, tax abatements, etc.) low to grow the economy.** How effective is cutting net, effective taxes in stimulating economic growth? Apply theory and use real data in the analysis.
  - a. May wish to apply this to a specific case. For example, the state of Kansas eliminated personal income taxes of small business owners in order to stimulate economic growth (Supply Side Economics).
2. INVESTMENT: **Economies grow when there is investment in education, health, and infrastructure.** Apply theory and use real state or national data in the analysis.
  - a. May wish to focus upon one specific area of public investment (human capital and education, labor and health, physical capital and investment in infrastructure, etc. or can look at public investment in general.)
3. EXPORT-PROMOTION: **States that promote exports (subsidies, tax credits when exporting, etc.) will grow faster than those states that do not export as much production.** Or the inverse, **Free trade stimulates GDP per capita within the state.**
4. PRODUCTIVITY: **Increasing the productivity of labor results in higher state GDP per capita.** As there are different sectors of the economy (Ag, Services, Manufacturing, etc., there will be different productivities of labor.)
  - a. If you want more of a challenge, link number 3 and 5 together.)
5. DEBT: **States with more debt relative to GDP will not grow as well as states with less debt relative to GDP.** Explore how much debt per capita is sustainable as well as when taking on public or national debt is more/less advisable.
6. STUDENT-PROPOSED THEME: Submit your "proposition" and proposed plan for researching this by the beginning of week 3 of the semester.

Week 1: Form teams of "economic analysts" of 3-4 people per team.

Week 2: Brainstorm how you may research one of the above propositions.

Week 3: Develop a methodology (a plan) for how you would research one of the above issues. Hunt for government and private sector sources of information. Collaboratively work on a **1 page outline with topic and sub-topic headings**, indicating the section each partner will work on. (Advice: have lead and secondary people assigned to tasks in case someone does not fulfill his or her assignment.) *Everyone in the group proofreads the document.* **Submit one copy per group of this plan online. Include title and names of participants.**

Week 4-7: Communicate weekly with those in your group as you research one of the above economic propositions for states within the USA. **Drop by the professor's office for a verbal status report.** (how you meet, good data found, how you share information, etc.)

Week 8: Submit a **list of sources in Bibliographic format**<sup>1</sup> used to conduct your research on states' economies and the above issue. Include 10+ sources of information, including sites from which data were extracted. Use [www.citationmachine.net/](http://www.citationmachine.net/) or Microsoft Word's References Tab to complete your Bibliography. (If you are confused, consult with the instructor or your writing instructor.) *Everyone in the group proofreads the document.* **Submit one copy per group of this first-draft Bibliography.**

Week 9: **Drop by the course instructor's office for a verbal report on how your research is going and what hurdles in finding data or analyzing these data pose to you and your group.** This is the time to inform the instructor if a group member has not been contributing and how your group will make up this gap.

Week 9-12: Complete your research using economic data and the tools discussed in this course.

Week 13: Compile the work into a file. **Everyone proofreads the file. Include a title and the names of (active) participants.** This file can be a research paper, a work of art, a piece of literature, a video, a play or song, or other creative work in which macroeconomic understanding is demonstrated, research is shown, knowledge beyond that discussed in lecture or the textbook is indicated, and sources are correctly reported. All forms must include a properly formatted, written Bibliography. If completing a work that is not a research paper, include a written Title Page and Introduction to explain your work.

Week 14: **Submit the group's work online.**

Weeks 15-16: Part of the class will be allocated towards reviewing students' work and in discussing these as a class. Presentations will be informal. (You will share your work, but will not have a formal presentation to make.)

### Points assigned:

Outline 10

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<sup>1</sup> "Author" of a URL is not the name of the webpage. Use the organization or agency as the author when no individual is identified. Include title of webpage, date when available, date accessed, etc.

When using official data, multiple sources may be found using organizations such as the IMF or BLS. In in-text citation, you can indicate BLS<sup>1</sup>, BLS<sup>2</sup>, etc. to show the different sources. You then match your notation in your Bibliography. A good reference can always be tracked and found again, so long as the data is still available on the Internet. Poor references are ambiguous.

First verbal group report	10
Draft Bibliography	20
Second verbal group report	10
<u>Final submission &amp; presentation</u>	<u>50</u>
Total points	100

### Rubric for Outline to 2<sup>nd</sup> Verbal Report

	Did not meet expectations	Met most expectations	Met all expectations
	No assignment completed or assignment unsatisfactory	Assignment completed with some minor deficiencies	Task completed well
Points	Failed task (0)	Passed Task (75-99)	Completed task (100)

### Rubric for final submission

Criterion	Did not meet expectations	Meets most expectations	Meets all expectations	Surpasses expectations
Meeting deadlines	Late with 1-2 deadlines	Completed all parts with 1 late deadline.	Met all deadlines.	Planned ahead and met deadlines early.
Executed macroeconomic proposition	Deviated off of theme. Does not indicate understand of the proposition.	Indicates understanding of the proposition. May have some errors.	Understanding of the proposition is demonstrated without errors.	Clearly and cogently demonstrates and applies the proposition.
Organization	Concepts in the work are not clearly defined.	Final work deviates from the outline plan and work loses some coherence.	Final work follows the outline plan.	Final work embodies the outline plan.
Bibliography	Weak or too few sources. Poor formatting.	Some errors in format or not-strong sources.	Correct formatting with strong sources.	Correct formatting with strong sources. Commitment to researching the theme.
Coherence and voice	Details in the work do not support the theme well.	Details support each other though some deficiencies may be evident.	Details support each other.	Details create a strong vision of the proposition and the viewpoint of the



				group's members.
Execution of final work	Information conveyed does not strongly support the proposition.	Information conveys the proposition.	Information strongly supports the proposition.	Demonstrates knowledge, understanding, research, and creativity.

## SYLLABUS APPENDIX

### College-level writing and pronouns

Writing in the third person (he, she, it, they)

Many course syllabi stipulate that first-person pronouns not be used in writing for assignments.

When Shouldn't You Write in the First Person?

*Summarizing facts or arguments by others:*

Most of the time you are asked to describe facts or authors' discussions from an assigned reading. This kind of task is not an op ed opinion piece, but a discussion that illustrates what are the key points of the assigned reading. In this case, writing is in the third person, "he," "she," "it," or "they."

*Showing knowledge vs. filling up space:*

When you describe "who, what, where, when, and why" you are demonstrating knowledge of pertinent information. When you fall back upon your personal opinion, it reads as if you do not have a firm grasp of the pertinent facts.

When Should You Write in the First Person?

*Demonstrating bona fides:*

You are writing on a topic (in the third person) and you wish to demonstrate that you are a credible and authentic source from your personal experience. For example, you are writing a piece on how the executive committee for the Olympics is selected and you wish to indicate your knowledge with, "In 2010, I competed in the winter Olympics snowboarding competition."

*Comparison and contrasting kinds of statements:*

If you are comparing and contrasting the arguments of others, you may assert your views in this discussion. For example, "Jones believes that . . . . whereas Smith holds the view that . . . . I agree with Smith, because . . . ." Even this use of the first person should be used conservatively. You can show your support for Smith without being quite this explicit.

### College level writing and effective communication

The goal of a student's written work to an instructor is to communicate knowledge.

Work that contains run-on sentences; lack of good paragraphing; and generalities does not communicate this understanding.

Work that contains concise statements; that breaks paragraphs with each new idea; and which contains specific facts, dates, percentages, quantities, etc. (all cited) communicates understanding effectively.

#### Structure helps to convey knowledge

Begin with an introductory statement that explains the who, what, when, where, why, methodology, goals and aims of work, etc. (use what is relevant).

Body that is organized tightly and which includes supporting statements and cited facts to support the aims of the work communicates good knowledge by the student.

End with a summary that revisits the content in the introduction and summarize key facts. This shows that the student correctly identified the key pieces of information.

#### Citing sources

Citation of sources fulfills several objectives:

*Good, academic writing style*

*Records your sources, should you need to use them at a future date*

*Shares your sources, should someone else want to look up the original material*

*Protects the student against violating the Academic Integrity Code of Conduct*

What to cite?

*All information that is not common knowledge*

*All specific, "data" information (\$, %, #, years)*

*Quotations*

*Paraphrased content*

## **Library resources**

### Building

Housing books, media, and journals

Staffed by reference and circulation library staff to assist students

Study rooms

Computers

### Online

Online databases and journals can help direct students to academic sites with better information than random Google searches. For example, ABI/INFORM or Lexis/Nexus.

Ebooks (the ebrary) offer sources electronically

### Interlibrary Loan

Materials that are published and not in our system can be requested for free using an Interlibrary Loan request.