

ECON 2020-200

Summer 2010

Principles of Macroeconomics 2020-201 TWRF 9:15 – 10:50am, HLMS 201

Yiqing Xie

Administrative Details

Webpage: webfiles.colorado.edu/xiey/www

Text: Paul Krugman and Robin Werners "Principles of Macroeconomics", 2nd Edition, Worth Publishers, 2009.

Office: Economics 414

Hours: TR 11:00am – 12:30pm by appointment

Phone: (303) 492-7709 but *the strongly preferred* method of contact is:

e-mail: Yiqing.Xie@colorado.edu

Content:

Macroeconomics is the study of the economy as a whole. It examines the aggregate behavior of the economy. This is different from microeconomics, which is the study of the economic behavior of individual consumers, firms, and industries. We will study how economists model the relationships between aggregate economic variables and understand how various fiscal and monetary policies can affect the results. The goal of this class will be to improve your economic literacy and ability to apply economic models to analyze world events.

The course is divided into four parts. We begin with an introduction to Macroeconomics. In part 2, we look at long run economic growth and the financial system. In part 3, we turn attention to short run economic fluctuations. In part 4, we show how stabilization policy including fiscal policy and monetary policy work in the economy both short run and long run.

Prerequisites:

ECON 2010 (Principles of Microeconomics) is required for all students in this class. Students should be familiar with the economic concepts of supply, demand, and elasticity. High school algebra knowledge is assumed and students should be comfortable using graphs, tables, and equations.

Grading:

I have an unusual and idiosyncratic (but extremely fair) grading system. There will be two midterms and a comprehensive final. On each exam enough points are added to everyone's score to bring the average score up to 75. NOTE: the points that are added are not questions. So, for example, if the median for a particular exam is 68, 7 points will be added to each person's exam. Hence, doing well on a difficult exam, say getting a 96 when the median is 68 enables you to get over 100 points, in the example receiving a 103. If the median for an exam is above 75, I do not subtract (such an outcome indicates either that you are part of an unusually smart or studious class or

material of any course, particular this one. To overcome this difficulty – since I believe in creating incentive to excel – I am giving anyone with an adjusted 96 or higher average on the two midterms the final! [Note: even if you personally do not get out of the final, you should prefer those that do, since the median will be lower on the final, using more points get added to everyone's score on this important test.] I require that those getting out of the final continue coming to class for the remainder of the semester. NOTE: the first midterm is nearly half-way through the course and second midterm comes very late in the course; this is to be sure that those getting out of the final are tested over most of the material.

I view attendance at lectures and the homework problem sets as highly desirable, so the homework problem sets part is 20% your final grade which cannot be dropped. I do want you to emphasize on each problem set because they are closely related with your midterms and final. There is going to be 6 problem sets in total for this semester among which you can drop the one with the lowest grade. At the beginning of the semester, I am going to take attendance for the first three classes, if you miss any of them, I will take an administrative drop. During the semester, I am going to take attendance for FIVE times. Among these 5 times, if you do miss a single class, your grade will be bumped up when it is on the margin. If you only miss one lecture, there will be no change to your grade. If you miss two lectures, your grade will be

A tentative guide to topics we will cover:

Date	Content
6-Jul	Ch. 2 Economic Models: Trade-offs and Trade
7-Jul	Ch. 6 Macroeconomics: The Big Picture
8-Jul	Ch. 7 Tracking Macroeconomics
9-Jul	Ch. 7 Tracking Macroeconomics
12-Jul	Ch. 8 Unemployment and Inflation
13-Jul	Ch. 8 Unemployment and Inflation
14-Jul	Ch. 9 Long-Run Economic Growth
15-Jul	Ch. 9 Long-Run Economic Growth
16-Jul	Ch. 10 Savings, Investment Spending and the Financial System
19-Jul	Ch. 10 Savings, Investment Spending and the Financial System
20-Jul	Midterm 1
21-Jul	Ch. 11 Income and Expenditure
22-Jul	Ch. 11 Income and Expenditure

University Policies

Students with Disabilities

If you qualify for accommodations because of a disability, please submit to me a letter from

Disability Services **by September 11th** so that your needs may be addressed.

Disability Services determines accommodations based on documented disabilities. University policies regarding disabilities are available at

www.colorado.edu/disabilityservices. Disability Services can be contacted by telephone at (303) 492 8671 or in person at Willard 322.

Religious Observances

Campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly deal with all students who, because of religious obligations, have conflicts with scheduled exams, assignments, or required attendance. If you have a conflict due to religious obligations, please see me **at least one full week in advance** so that alternate arrangements can be made.

Discrimination and Harassment

The University of Colorado Policy on Sexual Harassment and the University of Colorado Policy on Amorous Relationships applies to all students, staff, and faculty. Any student, staff or faculty member who believes s/he has been the subject of discrimination or harassment based upon race, color, national origin, sex, age, disability, religion, sexual orientation, or veteran status should contact the Office of Discrimination and Harassment (ODH) at (303) 492 2127 or the Office of Judicial Affairs at (303) 492 5550. Information about the ODH and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at <http://www.colorado.edu/odh>

Academic Misconduct

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include cheating, plagiarism, aid of academic dishonesty, fabrication, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council (honor@colorado.edu) (303) 725 2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Other information on the Honor Code can be found at www.colorado.edu/policies/honor.htm and at www.colorado.edu/academics/honorcode