

## EC152 - Principles of Macroeconomics

Pedro de Araujo

Palmer 128 - Block 4 - Fall 2014

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CONTACT INFORMATION	<p><i>Office:</i> Palmer Hall 114i <i>Phone:</i> (719) 389-6470 <i>E-mail:</i> pedro@coloradocollege.edu <i>Course Webpage:</i> <a href="http://faculty1.coloradocollege.edu/~pdearaujo/ec152.html">http://faculty1.coloradocollege.edu/~pdearaujo/ec152.html</a></p>
OFFICE HOURS	Monday to Thursday from 14:00 to 15:00 or by appointment
COURSE PREREQUISITES	High school algebra
COURSE OBJECTIVE	<p>My goal for this class is twofold. First, I want students to begin to think about formulating questions and possible solutions in terms of economic models. That is, how can we understand macroeconomic events and policy on the basis of economic modeling. Second, I want students to familiarize themselves with economic data and sources, as this is the starting point for any serious debate around economic ideas and principles.</p> <p>Another important objective of this course is to enable you to understand how policy influences market outcomes in both the short and long runs. For this, we will look at theory and applications in order to begin to understand the mechanisms behind economic policy. Hence, by the end of this course, you should be able to read newspapers and magazines with the mind set of an economist, separating political motivation from economic theory.</p> <p>Because this course is an introduction to macroeconomic theory, most theoretical models will not rely on microeconomic foundations (modern macroeconomics) as this would require a greater mathematical understanding of optimization theory; however, we will discuss microeconomic foundations as to prepare you for intermediate macroeconomic theory.</p>
COURSE STRUCTURE	<p>This course will be a mixture of lectures, activities, and discussions. I plan to introduce important concepts through lecture usually during the first half of class and use activities such as problem solving sessions, discussions, and others to solidify these concepts during the second half of class. Whenever possible, time will also be devoted to discussions about current issues using newspapers or magazine articles or TV news reports. Class will start at 13:00. Around 14:30, we will have a 15 minute break and then resume class until 16:00.</p>
REQUIRED TEXTBOOK	None
OPTIONAL TEXTBOOK	Williamson, Stephen: "Macroeconomics," Addison-Wesley, 4th ed., 2011

Mankiw, Gregory, "Macroeconomics," Worth, 7th ed., 2009  
 Dowling, Edward, "Schaum's Outline Introduction to Mathematical Economics,"  
 McGraw-Hill Irwin, 3rd ed., 2000

COURSE Two exams - 35% each  
 ASSIGNMENTS Two long problem sets - 10% each  
 AND WEIGHTS Participation and Self Reflections - 10%

GRADE DISTRIBUTION	A	100-94	B	88-83	C	78-73	D	60-55
	A-	94-90	B-	83-80	C-	73-70	NC	55-0
	B+	90-88	C+	80-78	D+	70-60		

EXAMS There will be two exams in this class. Both exams are take-home open-book open-note; however, no collaboration is permitted. Exams are non-cumulative.

PROBLEM SETS There will be 2 long problem sets in this course. These problems are designed to get you to practice your problem solving skills. They will be variations of problems solved in class. You are strongly encouraged to work and hand in each assignment in groups of no more than 4 students. You will have access to every answer from every problem before every exam. Your grade for these assignments will be based solely on effort.

PARTICIPATION Throughout the block, you will be required to actively participate with questions, opinions, and self-reflective exercises. I will keep score of your participation and assign you a participation grade accordingly. THIS PORTION OF YOUR GRADE IS NOT A POPULARITY CONTEST AND EVERYONE SHOULD HAVE OPPORTUNITIES TO CONTRIBUTE; I RESERVE THE RIGHT TO STOP OR CALL ON ANYONE AS I SEE FIT.

SELF-REFLECTIONS Throughout the block, you will have 17 self reflective activities that you are required to complete. These activities are designed to get you to reflect about the class, your study habits, organization, and your ability to think about how you think. The hope here is that you develop individualized learning processes that you can transfer to other classes and other experiences you will encounter in the future.

TENTATIVE COURSE OUTLINE  
**Week 1:**  
*Definitions, Measurement, and Relationships of Macroeconomic Data:*  
 Introduction to Macro Models (chapter 1 - Williamson)  
 Measurement of Key Macro Variables (chapter 2 - Williamson)  
**Week 2:**  
*Long Run Analysis:*  
 Stylized Growth Facts (chapter 6 - Williamson)  
 Solow Growth Model (chapter 6 - Williamson)

Growth Accounting (chapter 6 - Williamson) [if time permits]

**Exam 1**

**Week 3:**

*Short Run Analysis:*

Relationships and Measurement of Business Cycle Variables (chapter 3 - Williamson)

Introduction to Aggregate Demand (AD) and Aggregate Supply (AS) Model (chapter 9 - Mankiw)

The IS-LM Model and Applications (chapter 10 - Mankiw)

**Week 4:**

The IS-LM Model and Applications cont. (chapter 11 - Mankiw)

Open Economy Model (chapter 12 - Mankiw)

Inflation and Unemployment (chapter 13 - Mankiw) [if time permits]

**Exam 2**

DUE DATES IN	Problem Set 1 - Wednesday, December 3
CHRONOLOGICAL	Exam 1- Friday, December 5
ORDER	Problem Set 2 - Wednesday, December 17
	Exam 2 - Thursday, November 18 (exam starts after class)
ATTENDANCE	Attendance is not mandatory; however, do not expect me to cover material taught in class during office hours if you were not present for that particular day unless you have proper documentation justifying your absence.
CHEATING	For every assignment in this course you must follow CC's honor code. If you have not yet done so, I encourage you to read the honor code, which can be found at the Pathfinder under Honor Council Constitution. The penalty for cheating in this course is a final grade of no credit (NC).
ACCESSIBILITY NEEDS	If you have a disability and require accommodations for this course, please speak with me by no later than Wednesday, November 29, so that your needs may be appropriately met. If you have not already done so, you will need to register with Accessibility Resources (Learning Commons in Tutt Library, 227-8285), the office responsible for coordinating accommodations and services for students with disabilities.