

COURSE SYLLABUS

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Spring 2015

1 ABOVE ALL ...

1.1 PLAY BY THE RULES

This syllabus is a contract between you and me for the course and contains important information. **Read this syllabus carefully** and bring it to my attention if you have any questions or concerns within a week from the beginning of the semester. Otherwise, you are presumed to have agreed to the statements below and you and I both assume responsibility to honor them. You will be held personally accountable for any consequences that would adversely affect your academic record due to your failure to comply with any of the rules described below.

There will be two questions on your first exam regarding this syllabus (otherwise some students just do not read this and put themselves in a difficult situation later). By no means you have to memorize the syllabus. You should be able to answer the two questions as long as you read the syllabus once.

1.2 EMAILS

When you email me follow the format described in [section 3](#). Any email that does not follow the format will not be answered.

1.3 MYECONLAB SUBSCRIPTION

If you cannot take out subscription to Pearson MyEconLab (see [section 4](#)) within the two weeks of the semester for any reason, you need to contact me. If you contact me past this two-week window, I will not make any point adjustments and you will forfeit your homework score for the part you missed.

2 COURSE DESCRIPTION & OBJECTIVES

Living in a modern-day economy, not a single day goes by when we do not hear about macroeconomic terms: "The second-quarter GDP better than expected" or "Unemployment rate falls more than expected in July" just to name a few. And then there are arguments over what

to do with various macroeconomic issues: "Should the Federal Reserve raise the interest rate now?" or "Should the government bail out the big banks?" and so forth.

This is an intermediate macroeconomics class designed for the students who have completed Econ 2301 and seek to develop advanced analytical skills in macroeconomics. Students are expected to learn how to analyze and solve economic problems as the economists do.

As an economist ourselves, we would like to be able to see why these issues matter to us and what can be done to resolve them. The goal of this course is to analyze these frequently discussed topics from a theoretical standpoint and establish a basic framework so that we can isolate relevant factors, apply an appropriate macroeconomic model to actual economic phenomena and predict what will happen on our own.

In particular when we finish this course we will be able to answer:

- What is GDP and why do we care so much about it?
- Where does GDP come from? If I buy a car this year instead of saving my income, does that raise US GDP?
- How exactly do tax breaks help boost the economy?
- If I sell a cheesecake, that raises US GDP. When United purchases a new Boeing 787, US GDP grows as well. Why do macroeconomists keep close tabs on financial markets when these markets do not produce anything we can eat or fly?
- Any goods we trade have price. What is the "price" of money?
- Is the Fed printing money for us the same thing as a baker baking cheesecakes for us?
- How is fiscal policy different from monetary policy?
- Why can't we reduce unemployment rate without increasing inflation rate? How does the Fed make peace with that?
- How did we plunge into the recent recession? Was that subprime's own doing or something else?
- Would we have a recession of similar magnitude in the future?
- Should I invest in US bonds or German bonds? On what grounds?

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- How does a fiscal policy lose its edge in a global economy and why does a multinational policy coordination attempt usually fail to come through?

Prerequisite for this class is Econ 2301. Your comprehension of Econ 2301 will give you a great jump start to get an intuitive grasp of the ideas we will explore in this course. If it has been a while since you took Econ 2301, keep your old lecture notes handy.

Along with the prerequisite, a basic understanding of calculus is expected. Refer to the posted document regarding math preparedness before register for this course.

3 CLASS, OFFICE HOURS & CONTACT INFORMATION

Class meets every Tuesday and Thursday from 12:45 to 2:05 at GB124. The session begins on January 20th and concludes on May 19th.

I will hold my office hours on Tuesdays and Thursdays from 2:05 to 3:05 at GB266. I am happy to answer your questions by email hwatanabe@lamar.edu if you cannot make it during the office hours. When you email me, **write "Econ 3340" followed by a brief description or summary of your email** in the subject line so I can identify you right away.

- Accepted subject lines:
 - Econ 3340: Rescue on Chapter 3 assignment
 - Econ 3340: question on marginal propensity to consume
- etc.
- Unaccepted subject lines:
 - Macro
 - question
 - (blank)

etc. I cannot tell your email from solicitations or spam with these subject lines.

Emails without an accepted subject line will not be answered. Please use your Lamar email account and include your name in your email as it appears on Blackboard. **Do not use email on Blackboard.** Blackboard server goes down more often than you think. I will try to answer your email within 24 hours on weekdays and on Monday if you send me an email over the weekends. Email me if you would like to see me outside of the regular office hours.

4 TEXTBOOKS

Our textbook is *Macroeconomics* (Sixth Edition) by Oliver Blanchard and David Johnson (Pearson, 2013). You have three versions of the textbook available:

1. MyEconLab alone (ISBN: 0133074242)

2. MyEconLab with a loose leaf version of the textbook (ISBN: 0133103048)
3. MyEconLab with a printed textbook (ISBN: 9780133103069)

MyEconLab is an online learning tool where you can review course material, do your homework and receive feedback on your progress. Subscription to MyEconLab is mandatory to receive any credits from this course. If you would like to have a hard copy of the textbook, you can opt for the second or third version. Otherwise, you can purchase MyEconLab alone. All versions above come with an electronic textbook.

All class participants are required to take out a subscription to MyEconLab. Make sure you purchase one of the textbooks, all of which come with access to MyEconLab.

5 CLASS WEB PAGE

All class material will be available at <http://hwatanabe.altervista.org/econ3340sp15/>. Bookmark this page and check regularly for announcements.

6 TOPICS

We will cover the topics listed under [table 1](#). This is a tentative schedule. We might skip some of the contents or add in extra chapters depending on our progress.

7 HOMEWORK & EXAMS

This class covers a large amount of material. **You should be prepared to spend substantial time outside class on reading and homework assignments and preparation for exams.**

Homework and reading assignments will be posted on class web page. You can discuss homework assignments with your classmates but do not submit your solution with them.

There will be no credit for the homework submitted past the due time unless you have pre-approved reasons, including a verified illness, family emergencies or job interviews. I cannot extend the deadline if your excuses are along the lines of "I just need more time" or "I forgot the deadline". Notify me **as soon as possible and at least 24 hours prior** to the due time if you have to miss the deadline unless there are an unforeseen and urgent event. **This policy extends to the exams as well.** If you are given a deadline extension, do not copy the solution from other students before you submit your homework, or you will lose your credit.

We will have four in-class, closed-book exams on the dates specified in [table 2](#). It is advised that you review

Week #	Week of	Ch #	
1	January 19		Orientation
2	January 26	2	A Tour of the Book
3	February 02	2	A Tour of the Book
4	February 09	3	The Goods Market
5	February 16	4	Financial Markets
6	February 23		buffer
7	March 02	5	Goods and Financial Markets: The IS-LM Model
8	March 09	8	The Phillips Curve, the Natural Rate of Unemployment and Inflation
	March 16		Spring Break
9	March 23	9	The Crisis
10	March 30	18	The Open Economy
11	April 06		buffer
12	April 13	19	The Goods Market in an Open Economy
13	April 20	19	The Goods Market in an Open Economy
14	April 27	20	Output, the Interest Rate and the Exchange Rate
15	May 04		buffer

Table 1. Tentative schedule. Subject to change with our progress.

your class notes before the exam. Exams are not cumulative. I will announce which chapters each exam will cover as we get close to the exam date.

I will not offer a makeup exam without an advance notice unless there is emergency. You may not take an exam outside the scheduled time in [table 2](#) unless there is an unavoidable cause.¹ You will receive a score of zero if you miss them. If you are excused for the reasons stated above, your course grade will depend on your homework grade and the remaining exams you take.

8 IMPORTANT DATES

See [table 2](#).

Day	Date	Event
T	Feb 10	Pilot Exam (20 mins + lecture)
Th	Feb 26	Review Session
T	Mar 03	Midterm #1
Th	Apr 02	Review Session
T	Apr 07	Midterm #2
Th	May 07	Review Session
T	May 19	Final Exam at 11 AM

Table 2.

Also note the following dates:

- Last day to drop or withdraw without academic penalty: February 26th.
- Last day to drop or withdraw with academic penalty: April 2nd.

¹For instance, worker appreciation day is not an example of unavoidable circumstances.

9 ATTENDANCE

Class attendance is at your discretion.² [Figure 1](#) plots student's performance from the class I taught at a different institution to help you make an informed decision. Due to the uncontrolled nature of the data, direct com-

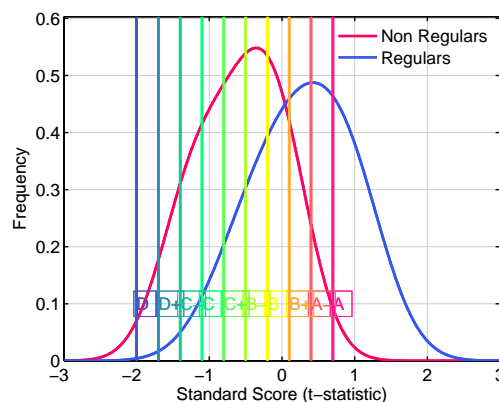


Figure 1. Both groups are rescaled so that they will add up to 100% each.

parison between two subgroups are not all accurate but regular attendees have a tendency to perform better than occasional attendees.³ You should also be well aware that your primary source of information for this course

²Regardless, I will remove you from the roster if you miss the entire first two weeks of the lecture without prior notice. In this case you will receive a Q for this course if you do not withdraw by yourself.

³The mean score among the regular attendee was .30, whereas it was -.58 among the non regulars. This amounts to about a three letter grade differential. If you are a B- student aiming for an A- or above, you might want to come to class.

is lecture. The exams are based on the lecture rather than the textbook. **Do not lose your lecture notes.** I will not post lecture notes for those who missed the class unless you have to miss the class for the reasons listed in [section 7](#) and send me a prior notice, in which case, I will follow you up after the lecture.

10 COURSE GRADES

Your grade will be based on your performance on homework and four exams according to the weights in [table 3](#). I would like a course that actually concludes and **there**

Item	Weight
Homework	.20
Pilot Exam	.08
Midterm and Final Exam	.24 each

Table 3.

will be no extra credit beyond 100%. Do not ask for one or .05 points will be deducted from your standard score. It is not fair that those who asked for an extra credit activity should receive a better grade than those who did not. You will need to show me your comprehension of macroeconomics through homework and exams.

Your score will be standardized to account for different levels of difficulties of each problem set and exam. In this way, you will not be penalized for poor performance if homework was difficult and you will not be overly rewarded for (seemingly) good performance if homework was easy. The exact grade will be based on the weighted standard score.⁴ I will curve the grades so that an above-average student will receive a B or above.

I reserve the right to boost your grade if you make an exceptional, remarkable contribution in class and downgrade for a misdemeanor.

11 OTHER ANNOUNCEMENTS

11.1 STUDENTS WITH DISABILITIES

Lamar University is committed to providing equitable access to learning opportunities for all students. The Disability Resource Center (DRC) is located in the Communications building room 105. Office staff collaborate

⁴Just for curious students, standard score is computed as follows:

$$x = \frac{.2}{n} \sum_{i=1}^n \frac{x_i - \langle x \rangle_i}{s_i} + .08 \frac{x_p - \langle x \rangle_p}{s_p} + .24 \sum_{j=1}^3 \frac{x_j - \langle x \rangle_j}{s_j}, \quad (1)$$

where x_i, x_p, x_j denote your homework $i = 1, \dots, n$, pilot exam p or other three exam score $j = 1, 2, 3$, and $\langle x \rangle$ is the mean with the standard deviation s . If your score is $x = 0$ (you would receive this if you scored the average for all homework assignments and exams) you are likely to be in the range of a letter grade B or C.

with students who have disabilities to provide and/or arrange reasonable accommodations.

- If you have, or think you may have, a disability (e.g., mental health, attentional, learning, chronic health, sensory, or physical), please contact the DRC at 409-880-8347 or drc@lamar.edu to arrange a confidential appointment with the Director of the DRC to explore possible options regarding equitable access and reasonable accommodations.
- If you are registered with DRC and have a current letter requesting reasonable accommodations, we encourage you to contact your instructor early in the semester to review how the accommodations will be applied in the course.

11.2 ACADEMIC INTEGRITY

My job is to help you understand macroeconomics and evaluate **your** progress. Students are specifically warned against all forms of cheating and plagiarism as they would tarnish Lamar's reputation and discredits the accomplishments of students. The Lamar University Student Handbook states:

Any student found guilty of dishonesty in any phase of academic work will be subject to disciplinary action. Punishable offences include, but are not limited to, cheating on an examination or academic work which is to be submitted, plagiarism, collusion, and the abuse of resource materials. (81)

Anyone who cheats on an assignment or exam will receive a score of zero and receive further sanctions, including a grade of an F for this course or expulsion from the university.

11.3 EMERGENCY PROCEDURES

Many types of emergencies can occur on campus; instructions for specific emergencies such as severe weather, active shooter, or fire can be found at www.lamar.edu/about-lu/administration/risk-management/.

11.4 ACADEMIC CONTINUITY

In the event of an announced campus closure in excess of four days due to a hurricane or other disaster, students are expected to login to Lamar University's website's homepage (www.Lamar.edu) for instructions about continuing courses remotely.

I will not cancel a class unless Lamar University closes the campus or I cannot make it to school, in which case, I will post announcements on the class web page. Please plan to come to class if there are no special announcements, provided that you can come to school safely.