

Economics 002-01
Introductory Economics: Macroeconomics
Fall 2012

Department of Economics
University of Pennsylvania

Course information

- Meeting time & place:** Monday and Wednesday 1:00-2:00pm, STITTELER HALL B6.
You need to attend also the recitation for which you are enrolled on Friday.
- Course website(s):** 1) Login in Blackboard system at www.library.upenn.edu/courseware
2) Access to Aplia companion website www.aplia.com to complete the online assignments. The required course key to login into Aplia for Econ 002-01 is WDS5-EYVP-MXZ8. You are required to sign up with your Penn email address and Penn id number. Failure to do so, will lead to a loss of 1 point from your overall score. More details and “how to” are available in a separate document posted on Blackboard.
Optional: you can follow me on Twitter [@Econ2Penn](https://twitter.com/Econ2Penn) if you would like.
You can also find me on LinkedIn.
- Prerequisites:** The official prerequisite for this course is Econ 001. In addition, you will need some mathematical skills so that, for example you can solve simple linear equations, work with logarithms, and graph functions. A basic knowledge of spreadsheet programs (e.g. Excel) may be useful as well.

Instructor information

- Professor:** Luca Bossi, Ph.D.
Office: 547-McNeil Building.
E-mail: boluca@econ.upenn.edu (best way to contact)
Phone: 215-898-7779
Office hours: Monday 6-7pm, Wednesday 11am-12noon, or by appointment.

Course overview and objectives

Macroeconomics is the study of the aggregate behavior of the economy. Students will learn how to measure economic performance and the meaning of terms such as national output, national income, national unemployment, the overall price level for the entire economy, and so forth. The main focus of this course will subsequently be the models that attempt to explain the determination of national output and income. We will examine the long-run growth of national income as well as the short-run fluctuations in national income (i.e., recessions and booms). Throughout the course we will explore how government policies can influence the performance of the economy.

Textbook and Companion Website

N. Gregory Mankiw, **Principles of Macroeconomics**, South-Western Cengage Learning, 6th edition.
You can opt to have an electronic copy of the book with your Aplia subscription, or receive a discount towards purchasing a hardcopy of the book. These are cheaper options than buying the hardcopy of the textbook and also the Aplia access. Whatever is best option for you, please make sure you have access to a copy of the book.

Course Structure

Mondays and Wednesdays we will have lectures at the time/location indicated above. In addition, you will be attending a recitation session on Fridays. You should attend both lectures and recitations, as the material covered will be different in each. Assignments and tests will cover all material covered in the lectures as well as the recitations. All the recitation sessions for this course with their locations and instructors are listed in the course registrar's website:

<http://www.upenn.edu/registrar/roster/econ.html>

I will post the office hours and office locations of the TAs on Blackboard under the "Instructors" tab within a week or so following the start of the semester.

Honor Code and Academic Integrity

Please familiarize yourself with the code of academic integrity at the University of Pennsylvania. You can find it here: www.upenn.edu/academicintegrity/

In particular, students are expected and required to:

1. Maintain a professional, respectful, and pleasant environment that facilitates learning.
2. Be courteous to myself, the TAs, and to their fellow students.
3. Not act in a way that disrupts the class, this means (among many other things): please be quiet if entering the class late, turn off electronic devices before entering the class and especially during exams (no cellular phones, music players, PDAs, or any device running apps, please) and do not sleep or chat in class. You can keep your laptop or tablet computer on during lecture times (but not during exams) if you plan to follow the PPT lecture notes on those devices during class.
4. Do not misrepresent work that you did not complete as your own.
5. Do not cheat in examinations as doing so will result in sanctions.
6. No graphing calculators are allowed during exams. Scientific calculators only.

Requirements and grading criteria

Your grade in this course is based on attainment. Your raw scores correspond to the following letter grades.

90s => A range (A-, A, A+)

80s => B range (B-, B, B+)

70s => C range (C-, C, C+)

60s and below => D and F

Your grade will be based on two midterm exams, the final exam, and the problem sets/assignments. The general breakdown will be 40% for the final exam, 15% for problem sets/assignments, and 20% or 25% for your midterm exams. Your worse midterm exam score will count for 20% of your letter grade. Your best midterm score will count for 25% of your letter grade. This scheme favors the students and it will help mitigate the effects of a one-time poor performance.

Any **questions about re-grading** of midterm examinations should first be submitted to the attention of the student's assigned TA first, and then to me, if needed. **The request must be typed** and you should explain exactly what was wrong with the grading and why you want your exam to be re-graded. All requests for re-grading of midterm exams must be made no earlier than one day after the exam is returned to students and within 1 week after the exam is returned to students; requests for re-grading of the final exam or make-up final exam must be made within the first 3 weeks of the following semester. **You can ask for re-grading only if you wrote in pen on your exams. No possibility of re-grading for those students who decide to use a pencil instead.**

Exams

There will be two midterms (locations TBA) administered during the evening on dates and locations selected by the university. The university has also chosen the dates for possible make-ups. I will announce the locations and logistical details for the exams in class and on the Blackboard (Bb) system. **No books, or notes, or graphing calculators are permitted during the midterms, or the final exam.**

	Date, Time	Weight toward your letter grade
Midterm 1	Wednesday, October 03 6:00-7:00PM Location: TBA	25% or 20%
Midterm 1 make-up	Tuesday, October 09 6:00-7:00PM Location: TBA	
Midterm 2	Wednesday, November 07 6:00-7:00PM Location: TBA	25% or 20%
Midterm 2 make-up	Monday, November 12 6:00-7:00PM Location: TBA	
Final	Friday, December 14 3:00-5:00PM Location: TBA	40%

The final is cumulative. There are official rules governing the final exams. Please read about those here: www.upenn.edu/registrar/pdf_main/provost-rules.pdf

There are also official rules from the Economics Department for what constitutes a legitimate reason for missing an exam and ask for a make-up. Please read about those in the Department of Economics Course Policies. <http://economics.sas.upenn.edu/undergraduate-program/course-information/guidelines/policies>

Students are responsible for making sure, at the beginning of the term, that they can attend the exams. Registering for a course means that you certify that you will be present for the exam (unless one of the explicitly stated exceptions in the Department of Economics Course Policies arises). If a student has an acceptable conflict with the scheduled midterm time, the student must make his or her recitation instructor (TA) aware of the source of that conflict by email at least 3 days prior to the exam date. You will then be placed on the official make-up list. There is only one make-up exam offered for each midterm.

Assignments

There will be a number of assignments, and it is required that you complete them. They count for 15% of your letter grade. They will be posted on the Blackboard web site or on Aplia web site. You will be notified about their availability and about their due dates. Once you submit your answer, either the Aplia web site or your TA will provide an answer to the questions posted and an explanation as to what you did incorrectly (if anything). Please print the answers from the Aplia web site for your own perusal. It is

suggested that you study those answer sheets carefully. If you have any issues with how your problem set was graded, you should first see your TA, and then me, if needed.

No late assignments will be accepted. The Aplia system will have strict deadlines embedded and if you miss it there is really not much that can be done. Recall the old saying: "**Lack of planning on your side does not constitute an emergency on our side.**" The modern day equivalent of my "my dog ate my homework" is "my laptop died". Even technical problems with your computer or with Internet connection are not acceptable excuses. You have several days to submit the homework, do not leave the submission to the last hour of the last day that it is due.

To get full credit on assignments/problem sets (i.e. full 15 points) you need to have 90% of all the possible points for graded assignments/problem sets. So say, hypothetically, that all graded assignments/problem sets will be worth 400 points by the end of this course. Then this mean that you need to have received 360 of those points (not all 400) to get full credit (15 points) and you are done!! There is a discontinuity and a small penalty if you were not to achieve the minimum of 90% of all the possible assignment points. You will then be given your letter grade points according to the percentage earned in your assignments (say, for example, you accrued 85% in the assignments then your letter grade points will be $0.85 \times 15 = 12.75$). Notice that practice problem sets/assignments/exams are not graded. You should feel free to study with other students and to discuss the assignments with your classmates and in fact are encouraged to do so. However, you should first answer all the questions before you start working together and once you discuss the problems, the work you turn in should be your own. This is because working out problems is an essential component to learning economics. In addition to counting directly for part of your grade, your performance on the exams is likely to be correlated with your performance on assignments. Directly copying someone else's problem set will be considered cheating.

Keeping up-to-date with the class material

You are required to check the course website on Bb and Aplia regularly. All the class material including lecture notes, problem sets, exercises, readings, etc. will be posted online. All the major announcements can also be found on the course website. This means that you need to check the course website at least a couple of times during each week. I will assume that each student is aware of all the material posted on the Bb. Please make yourselves familiar with the Bb and Aplia systems within the first few days of the semester if you have not used them before. Finally, make sure you are registered for this class and can access the Bb system, so that you will receive my messages in case I send e-mails through the Bb system.

Additional important notes

- **Special needs/arrangements:** Reasonable accommodation will be made for those with special needs. Anyone eligible for special arrangements on examinations must make sure I get a notification from the appropriate Penn office, ASAP. Please contact Student Disability Services (SDS) www.college.upenn.edu/support/sds.php and make sure all the necessary administrative steps are taken in your case. You must also send an e-mail to me no later than 7 days prior to the midterm exam so that the necessary arrangements for assistance are made.
- **Tutoring:** If you need tutoring for this class, please check with the Tutoring Center. www.vpul.upenn.edu/tutoring/index.php.
- **Attendance:** Students are expected to attend classes regularly and to come to class prepared. This means doing the readings, assignments, following the Bb, etc. Studying for this class really means practicing the techniques by solving problems, going to recitations, and doing the readings. Furthermore, some material covered in class may not be available in the textbook and you may be tested on it.
- **Drawback of late enrollment:** If you sign up for the class late, and you miss any assignment(s) as a result, those will count as zero. However, the first two assignments do not have a great deal of points attached to them so technically it is possible to catch up.

- Contact:

- Logistical issues regarding joining a section or changing sections: Lynn Costello, the undergraduate coordinator in the economics department. She can be found in McNeil room 160 or via email at costello@sas.upenn.edu. Lynn is also knowledgeable about major requirements and stuff like that.
- Logistical issues regarding the Blackboard site go to: www.library.upenn.edu/forms/bb-gethelp.html.
- Technical issues regarding the Aplia site go to: www.aplia.com click on "support" on the top right part of the website and follow the instructions.
- Concerns about homework, economics in general, or the material covered in class etc: contact either me or your TA.

The easiest way to reach me is during office hours or by email. Please make sure to include always your full name and your section in your email messages. I check my email regularly during work hours. However, if your email implies a long answer you will have to come and see me during office hours. I am typically also available in the classroom right before and after the lectures.

Comments and suggestions

If you have any comments or suggestions for me, please do not hesitate to stop by during my office hours or to drop me an email.

Tentative Course outline and readings (subject to changes)

I) (Quick) Introduction

Ten principles of economics (chapter 1) –read yourself. Partially covered in the first recitation/class.
Thinking like an economist (chapter 2) –read yourself. Partially covered in the first recitation/class.

II) The data of macroeconomics

Measuring a nation's income (chapter 10)
Measuring the cost of living (chapter 11)
Unemployment (chapter 15)

III) The real economy in the long run

Production and growth (chapter 12)
Saving, investment and the financial system (chapter 13)
The basic tools of finance (chapter 14)
The Solow Model (notes)

IV) Money and prices in the long run

The monetary system (chapter 16)
Money growth and inflation (chapter 17)

V) The macroeconomics of open economies

Open-Economy Macroeconomics: basic concepts (chapter 18)
A macroeconomic theory of the open economy (chapter 19)

VI) Short run economic fluctuations

Aggregate demand and aggregate supply (chapter 20)

Time permitting:

The influence of monetary and fiscal policy on aggregate demand (chapter 21)
The short run trade-off between inflation and unemployment (chapter 22)
Five debates over Macroeconomic policy (chapter 23)