

**Economics 002-01**  
**Introductory Economics: Macroeconomics**  
**Fall 2013**

**Department of Economics**  
**University of Pennsylvania**

#### **Course information**

<b>Meeting time &amp; place:</b>	Monday and Wednesday 10:00-11:00am, BENN 419. You need to attend also the recitation for which you are enrolled on Friday.
<b>Course website(s):</b>	1) Login in Blackboard system at <a href="http://www.library.upenn.edu/courseware">www.library.upenn.edu/courseware</a> 2) Access to Aplia companion website <a href="http://www.aplia.com">www.aplia.com</a> to complete the online assignments. The required <u>course key</u> to login into Aplia for Econ 002-01 is FQJ5-6QRS-AGME. <u>You are required to sign up with your Penn email address and Penn ID. Failure to do so, will lead to a loss of 1 point from your overall score.</u> More details and "how to" are available in a separate document posted on Blackboard. <u>Optional:</u> you can follow me on Twitter <a href="#">@Econ2Penn</a> if you would like (I promise I will not follow you back unless you really want me to!). You can also find me on LinkedIn.
<b>Prerequisites:</b>	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) might be useful as well.

#### **Instructor information**

<b>Professor:</b>	Luca Bossi, Ph.D.
<b>Office:</b>	547-McNeil Building.
<b>E-mail:</b>	<a href="mailto:boluca@econ.upenn.edu">boluca@econ.upenn.edu</a> (best way to contact)
<b>Phone:</b>	215-898-7779
<b>Office hours:</b>	Monday 2pm-4pm, 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, 6<sup>th</sup> 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 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/](http://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, any device running apps and PDAs, 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. This means that if you demonstrate a high degree of competence with the material, you will receive a high grade regardless of your relative rank in the class. You can use the following grading scale to convert your test/assignment scores into letter grades:

<b>A: &gt; 93</b>	<b>B: 83.5 - 86.9</b>	<b>C: 73.5-76.9</b>	<b>D: 62.5-66.9</b>
<b>A-: 90-92.9</b>	<b>B-: 80 - 83.4</b>	<b>C-: 70-73.4</b>	<b>D-: 60-62.4</b>
<b>B+: 87-89.9</b>	<b>C+: 77-79.9</b>	<b>D+: 67-69.9</b>	<b>F: &lt; 60</b>

Your overall 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, 13% for problem sets/assignments, and 22% or 25% for your midterm exams. Your worse midterm exam score will count for 22% 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.

## 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 makeup 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. Nothing that connects to the Internet is allowed either.**

### Date, Time (All locations of the exams are TBA)

**Midterm 1**                   **Monday, September 30**  
**6:00-7:00PM**

**Midterm 1 make-up**           **Tuesday, October 8**  
**6:00-7:00PM**

**Midterm 2**                   **Wednesday, October 30**  
**6:00-7:00PM**

**Midterm 2 make-up**           **Thursday, November 07**  
**6:00-7:00PM**

**Final**                       **Friday, December 13**  
**3:00-5:00PM**

**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](http://www.upenn.edu/registrar/pdf_main/provost-rules.pdf)

There are also official rules 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 (as defined in the Department of Economics Course Policies) 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.**

Errors in grading sometimes occur; here are the rules and procedures for requesting a correction. The important general rule is that such a request should clearly and succinctly state the unambiguous error you believe has occurred.

Errors in grading arising from illegible or garbled answers are not subject to correction. Students who believe their work has been graded incorrectly **should petition for a correction in writing to the Professor**. Students should not approach either the instructor or the TA with an oral request before making their written request.

Requests should be focused on the specific error and should be made within a week of the work being returned. 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. Re-grading is not allowed for the multiple choice part of the exams.**

The entire graded examination should be resubmitted; there is no guarantee that grades will rise as, statistically, positive and negative errors in grading are equally likely. If the request arises because you think different students have been graded differently, all the affected students should submit their work as a group.

## Assignments

There will be a number of assignments, and it is required that you complete them. They count for 13% 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 see me.

**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 13 points) you need to have 93% of all the cumulative 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 means that you need to have received 372 of those points (not all 400) to get full credit (13 points) and you are done!! There is a discontinuity and a small penalty if you were not to achieve the minimum of 93% of all the cumulative 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  $0.85 \times 13 = 11.05$ ). 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.

## **Additional important issues**

- **Important dates:** October 4, drop period ends; November 8, last day to withdraw from a course.
- **Attendance:** Students are expected to attend classes/recitations regularly and to come to class prepared. Too many absences from class and/or recitations might affect your final grade. According to College rules (<http://www.college.upenn.edu/node/3998>), any absences should be reported through the **Course Absence Report system**. There are no “excused absences” – if you miss class/recitations, you are responsible for making up any work and for knowing the material covered. The Course Absence Report system should not be used for days on which exams are scheduled as you will need to make other arrangements for completing the exam. The purpose of the Course Absence Report system is to facilitate communication between instructors and students when a student misses class. The system allows you (student) to inform me (the instructor) about absences of five days or less. If the absence is more than five days, you (the student) should contact your home school advising office for assistance and to discuss the academic implications of a longer absence.  
**You can submit a Course Absence Report by logging on to Penn InTouch and choosing the “Course Absence Report” option from the menu on the left.**
- Studying for this class really means practicing the techniques by solving problems, going to class/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. You are required to check the course website on Bb and Aplia regularly. Most, but not all, of 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.
- To get the full class material you must come to class.** 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 absolutely 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.
- **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.
- **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) at the Weingarten Learning Resource Center. <http://www.vpul.upenn.edu/lrc/sds/> 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](http://www.vpul.upenn.edu/tutoring/index.php).
- **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](mailto:costello@sas.upenn.edu). Lynn is also knowledgeable about major requirements and stuff like that.
  - Technical issues regarding Blackboard go to: [www.library.upenn.edu/forms/bb-gethelp.html](http://www.library.upenn.edu/forms/bb-gethelp.html).
  - Technical issues regarding the Aplia site: go to [www.aplia.com](http://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 best way to contact 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)