Course Description: ECON 002-601 is the first course in macroeconomics for LPS & undergraduate students. Macroeconomics studies the aggregate behavior of the economy. In the first part of the course, students will learn how to measure economic performance and the meaning of terms such as GDP, unemployment, and inflation. The main focus of this course will subsequently be the models that attempt to explain the determination of national output. 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.

Prerequisites: The official prerequisite for this course is Econ 001.


- You can opt to have an electronic copy of the book with your Mindtap subscription. This is a cheaper option than buying the hard copy of the textbook and the access to Mindtap separately.

Course Pages:

1. Canvas: [https://canvas.upenn.edu](https://canvas.upenn.edu). Check regularly for updates on class materials and other information.

2. MiniTap: [https://login.cengage.com/cb/](https://login.cengage.com/cb/). It is a companion website to complete the online assignments. You are required to sign up using your Penn email address. More on this in the first class.

Important Dates: For more, see academic calendar in this link.

- First day of class ...................... Jan 21, 2020
- Drop period ends .................... Feb 24, 2020
- Exam 1 ............................... Mar 3, 2020
- Last day to withdraw ............... Mar 30, 2020
- Last day of class .................... Apr 21, 2020
- Exam 2 ............................... Apr 28, 2020
**Grading:** Your overall grade will be based on a midterm exam, a final exam, and assignments.

- **Homework (20%):** There will be a number of problem sets assigned. The weight of each problem set will depend on how much material is covering.

- **Exam 1 (40%):** Cover ch10, ch11, ch12, ch13, ch14 and ch15

- **Exam 2 (40%):** Exam 2 is cumulative, but with a particular focus on material after midterm.

Letter grade is based on attainment, it is not based on a curve. Your overall grade will be converted to a letter grade as follows:

\[[90, 100] \rightarrow \text{A range},\]
\[[80, 90) \rightarrow \text{B range},\]
\[[70, 80) \rightarrow \text{C range},\]
\[[60, 70) \rightarrow \text{D range},\]
\[[0, 60) \rightarrow \text{F}.\]

**Exam Policies:**

- All exams are closed book. Only scientific calculator is allowed.

- In this course there are no re-take exams. Only regularly scheduled exams and makeup exam (for final exam only). If you have a valid excuse for missing the midterm exam, then the corresponding portion of the grade will be reallocated to the final exam.

- Every student must take the final exam. Missing the final automatically means F in this course.

- Students are responsible for making sure, at the beginning of the term, that they can attend the regular exams. If a student has a valid excuse for missing an exam, the student must make me aware of the source of that conflict by email at least two weeks prior to the exam date.

- For the list of a valid excuses, see “Exam Attendance” section in the below link:
  
  https://economics.sas.upenn.edu/undergraduate/course-information/course-policies

**Regrading Policies:**

- The important general rule is that a regrading 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 typing to the instructor. Students should not approach either the instructor or the grader 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 for midterms. Requests for regrading of the final exam or make-up final exam must be made within the first 3 weeks of the following semester.

• 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.

**Assignment Policies:**

• There will be a number of assignments, and it is required that you complete them. They count for 20% of your letter grade.

• Assignments will be posted on the Mindtap website (mostly) or on Canvas web site. You will be notified about their availability and about their due dates within Canvas.

• No late assignments will be accepted. You will receive a zero if you do not submit an assignment at the deadline. Mindtap system will have strict deadlines embedded, and if you miss it there isn’t anything that can be done. Please do plan ahead.

• I will drop the lowest assignment score. So if you miss an assignment for whatever reason, that counts as your lowest score and your letter grade will not be impacted. If you miss more than one assignment, that will likely impact your letter grade.

• Assignments in Mindtap are graded at Deadline. This option gives the student one attempt at each question. They can save their work and come back and change answers at any time up until the due date and time of the assignment. They do not receive any feedback for the questions/assignment until after the deadline is past.

• Feel free to study with other students and to discuss the assignments with your classmates and in fact you are encouraged to do so. However, the work you turn in should be your own.

**Academic Integrity:** Lack of knowledge of the academic honesty policy is not a reasonable explanation for a violation. Please familiarize yourself with the code of academic integrity at the University of Pennsylvania. You can find it here:

  https://catalog.upenn.edu/pennbook/code-of-academic-integrity/

In particular, students are expected and required to:
• Do not misrepresent work that you did not complete as your own.

• Do not cheat in examinations, as doing so will result in sanctions.

• No graphing calculators are allowed during exams, only scientific calculators. No books, or notes are permitted during the exams too. Nothing that connects to the Internet is allowed either.

**Tentative course Outline:** I plan to follow the structure of the textbook, with small changes. Depending on how we proceed and the feedback, I can change the order, structure etc. So, I reserve the right to change the course plan.

We begin the course with introduction, we will talk about what is this course about and what to expect. Then I will introduce some basic measures in the macroeconomics, specifically gross domestic product and price index. These measures will help us to understand the standard of living and allow us to compare the standard of living across time and across countries.

After we learn these measures, we will discuss why some countries are better off, why some countries’ standard of living grow so fast while some countries’ do not. Then, we will look at labor market and financial market. We will discuss how these markets function. Midterm will test you everything you learned so far (i.e. ch10, ch11, ch12, ch13, ch14 and ch15)

In the next part of the class, we will answer why there are often fluctuations in an economy and how government can affect this. We will discuss the objective of the government and the tools to achieve those objectives, specifically: fiscal policy (taxation etc.) and monetary policy (money supply, etc.).

Up until this point, all discussion will be based on a closed economy, in other words we consider a country that has no relation with other countries. In the last few classes, we will consider a country with an open economy, in other words a country that has a relation (trades, borrows etc.) with other countries. We will discuss how access to foreign markets effects the performance of a country.

On April 28th, we will have a final. The final will be cumulative but focus more on second half of the class (i.e. ch16, ch17, ch18, ch19, ch20, ch21).
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