

ECON 162B - 90, 91
Spring 2008
lecture 90: MWF 9:40 – 10:40
lecture 91: MWF 10:50 – 11:50
Lecture Hall 008
discussion sections 1-12

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PRINCIPLES OF MACROECONOMICS

As the title blatantly suggests, this is an introductory course in the principles of macroeconomics. The field of macroeconomics involves the study of aggregate economic variables, such as GDP (Gross Domestic Product), inflation, unemployment, the money supply, and interest rates, and how these variables affect each other and, ultimately, our standard of living. Most of the economic news that we all see, hear, and read everyday concerns macroeconomic issues. Examples include the shrinking economy and Bush's role in economic recovery; the potential for recession and the rate of growth of GDP; the current credit crisis and the role of the Federal Reserve; inflation and deflation; the national debt and growing budget deficits; the trade deficit, NAFTA and the WTO; globalization and economic development; Chinese exchange rates; Enron and corporate accountability; and President Bush's policies for tax cuts and economic stimulus. All of these issues, and many others, are the stuff with which macroeconomics is made.

READINGS

The required textbooks for the course are:

Michael Parkin, Macroeconomics, 8th edition (MP)

Miller, Benjamin, and North, The Economics of Public Issues, 15th edition (MBN)

The textbooks are available in the bookstore. In addition, frequent reading of the *New York Times*, *Wall Street Journal* or Internet sources is strongly encouraged. The models that we will study are much more interesting when linked with an understanding of current economic events. Assignments, review sheets, and course announcements can be found on the course home page at

<http://blackboard.binghamton.edu>

To sign into the Blackboard homepage, your username is your Binghamton University email name (such as jdoe1), and the password is your POD account password.

WEBSITES

Increasingly there is a wealth of macroeconomic information accessible through the Internet. Several assignments will be based on retrieving and analyzing data obtained from the Internet. Some of the more useful sites include:

<http://www.bls.gov>

(Bureau of Labor Statistics)

<http://www.bea.gov>

(Bureau of Economic Analysis)

<http://www.federalreserve.gov>

(Federal Reserve)

<http://www.economiagic.com>

(data analysis)

<http://www.finpipe.org>

(financial information)

REQUIREMENTS

The most important requirements for the course are class attendance and completing the readings as assigned. While class attendance is not mandatory, it is important for your comprehension of the concepts of the course. Attendance and participation in discussion sections is also vital to your success in the course. The study of macroeconomics can be a difficult undertaking, and your understanding will be enhanced through different types of exposure to the material. For the same reasons, you should also make a strong attempt to keep up with the readings. If you do not, you may be overwhelmed at exam time.

Besides attendance and completing the readings as assigned, the requirements for the course include two midterm exams, a final exam, and ten problem sets. The problem sets will be due approximately every week. (See the problem sets on the course home page or class schedule for due dates.) You are encouraged to work together on the problem sets, but you must each hand in your own paper. The lowest of the ten problem set grades will be dropped. Discussion sections will review the problem sets and answer keys each week, as well as address any questions you may have about the course material and lectures.

There will be no makeup exams offered throughout the semester without prior arrangement with the instructor. Be sure that you are able to take the final exam on the date and time indicated (see below). Late problem sets will not be accepted without prior permission. There are no exceptions to these rules.

The grading distribution will be as follows:

midterm #1	20%
midterm #2	20%
problem sets	30%
final exam	30%

OFFICE HOURS

Office hours are Mondays and Wednesdays, from 12:30 – 2:30 p.m. in LT 1013. Please feel free to drop by or to give me a call if you are having problems with the material, if you need to miss a class, or if you just want to talk. Often a difficulty with an assignment can be resolved with a meaningful question or two. Our purpose here is to learn, and I am willing to help in any way that I can.

DISRUPTIVE BEHAVIOR

Since this is a large class, disruptive behavior by a few of you will impose costs on many others. Disruptive behavior includes talking to classmates, arriving late or leaving early, listening to portable recording devices, using a cell phone or laptop computer to play video games, snoring, or inappropriate gestures or outbursts in class. Such behavior will not be tolerated, and consequences will include being asked to leave the class, dropping a letter grade, or ultimately failure of the course. This is unfortunately necessary due to the behavior of your predecessors. None of this is meant to preclude the value of participation in the class.

Please refrain from leaving for the bathroom unless absolutely necessary. During exams an escort will be required.

TURN OFF YOUR CELL PHONES IN CLASS!

ECONOMICS DEPARTMENT POLICY REGARDING MAKE-UP FINAL EXAMS

ALL make-up final exams in Economics will be given **Friday, May 16 from 2:00 to 4:00 PM**. Currently all officially scheduled final exams are listed in the BUSI system - check it **NOW** for conflicts. If a conflict exists you may request a make-up exam from the instructor of **any** of the conflicting courses. If you choose to request a make-up exam for this course, a sign-up list to request the make-up exam will be available in class – ask the instructor. Students **MUST** make their request for a make-up exam in economics **NO LATER THAN FRIDAY, February 29**. Students will be notified **IN CLASS** before the drop deadline. It is **the student's responsibility** to learn from the instructor if the request has been approved. Only students who are approved may take a make-up final exam. Students who have not requested a make-up exam in an economics course by February 29 will be required to resolve conflicting exams with the instructor in one of their other courses.

Make-up exams are approved **ONLY** for the following conditions:

- Conflicts with the **OFFICIAL** final exam schedule (e.g. exams at the same time or more than two exams within 24 hours).

- **DOCUMENTED** personal illness or family emergency.

The Final Exam for Econ 162B is scheduled for Wednesday, May 14 from 8:30 – 10:30 a.m.

READING LIST AND COURSE OUTLINE

week	dates	topic	reading
PART I		INTRODUCTION	
1	Jan 28 – Feb 1	Introduction to Economics	MP chapters 1, 1A; MBN chapters 1, 2
2	Feb 4 - 8	Scarcity, Choice and Production	MP pages 31 - 39; MBN chapters 3, 4
3	Feb 8 Feb 11 - 15	-problem set one due- Trade and Comparative Advantage	MP pages 40 - 56, chapter 17; MBN Part Seven
	Feb 15	-problem set two due-	
PART II		DEMAND AND SUPPLY	
4	Feb 18 - 22 Feb 22	Demand and Supply Curves -problem set three due-	MP chapter 3
5	Feb 25 - 29	Private and Public Sectors	MBN Parts Two, Three Christianson, Chapter 4
	Feb 29	-MIDTERM ONE-	

PART III**MACROECONOMIC BASICS**

6	Mar 3 – 7	GDP and Economic Output	MP chapters 4, 5
7	Mar 10 - 14	GDP, Current Accounts and Exchange Rates	MP chapters 5, 18
	Mar 14	-problem set four due-	
8	Mar 17 - 19	Unemployment and Inflation	MP chapter 6
	Mar 19	-problem set five due-	MBN chapters 26, 28
	Mar 21 - 30	-MIDWINTER BREAK-	

PART IV**EQUILIBRIUM CONCEPTS**

9	Mar 31 – Apr 4	The Classical Model and Growth	MP chapters 8, 9
	Apr 4	-problem set six due-	
10	Apr 7 - 11	Keynesian Equilibrium	MP chapters 13, 14
	Apr 11	-problem set seven due-	
11	Apr 14	Aggregate Demand and Supply	MP chapter 7
	Apr 16	-MIDTERM TWO-	
	Apr 18 - 21	-SPRING RECESS-	

PART V**FISCAL AND MONETARY POLICY**

12	Apr 23 - 25	Fiscal Policy	MP chapter 15
	Apr 25	-problem set eight due-	MBN Part Five
13	Apr 28 – May 2	Money and Banking	MP chapters 10, 11
	May 2	-problem set nine due-	
14	May 5 - 9	Monetary Policy	MP chapters 12, 16
	May 9	-problem set ten due-	
	May 14	- FINAL EXAM – 8:30 – 10:30 a.m. GE 107 (East Gymnasium)	

GOOD LUCK!!!!!!
I HOPE YOU ENJOY THE COURSE!!!!!!