

## ECON222 - PRINCIPLES OF MACROECONOMICS

Fall 2016

T,Th 2:50-4:05pm

Carolina Coliseum 1015

**Instructor:** Jason DeBacker

**Office:** DMSB 427B

**Office Hours:** Tuesday 9:00am-11:00am, Thursday 11:00am-1:00pm; or by appointment

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**Teaching Assistant:** The TA for this course will be 1st year PhD student Justin Coker. Justin will hold office hours and help with other duties related to the course. His office hours will be on Monday and Wednesday from 10-11am, or by appointment. He is located in cubicle 456-K1 in the DMSB. You can contact him by email at [cokerjm@email.sc.edu](mailto:cokerjm@email.sc.edu).

*Note: I am only guaranteed to be able to meet with you in my office during my posted office hours and for scheduled appointments. Your first point of contact about scheduling questions should be your TA. My e-mail is open for questions that require short answers such as scheduling questions and quick consultations. In-depth explanations of economic theory or math problems cannot and will not be done through e-mail by your TAs or me. Unfortunately, with so many students, I am not guaranteed to be able to answer your individual e-mails. However, please be reassured that I read all of your email messages. If you require an answer through email, please make sure you copy your TA to the message. You can also clarify all questions with me face-to-face in my office during my office hours, or before or after class.*

**Textbook:** *Modern Principles: Macroeconomics*, 3rd Edition, by Tyler Cowen and Alex Tabarrok, Worth Publishers, 2014.

**Webpage:** Announcements, problem sets, and additional readings will be posted to the course webpage on Blackboard.

**Blackboard:** This class uses the Blackboard Online System (<https://blackboard.sc.edu/>). Postings of the course syllabus, grades, and links to your Sapling problem sets appear on the course page on Blackboard. You are encouraged to check the website often and keep tabs on your grades, which will be posted online in the Blackboard grade book. It is your responsibility to contact your TA if you don't have a grade for an assignment after grades have been posted for the rest of the class.

**Sapling Learning:** All online problem sets will be administered through Sapling Learning. Links to your Sapling problem sets will be provided through Blackboard, but you may also find the problem sets by directly logging onto [Sapling Learning](http://www2.saplinglearning.com/). You can sign up for Sapling by going to <http://www2.saplinglearning.com/>, clicking on "US Higher Ed", creating an account, and then browsing to this course (**University of South Carolina, Columbia - ECON 222 - Macroeconomics - Fall16 - DEBACKER**). The cost is \$40 for the semester. Note that you can integrate the e-book into Sapling and the total cost for the e-book and use of Sapling is \$90.

Note that there are two groups for this Sapling course. Since you are in the 2:50pm class, with unique number 24605, your password (keycode) will be 1.

**Course Description:** This course is designed to introduce students to the fundamental tools of macroeconomic theory and important topics of macroeconomic study. We will study the economic concepts of national income and its fluctuations, inflation, unemployment, the role of the banking system, monetary and fiscal policies, and international topics. We will use analytical models, numerical examples, and current events to apply and better understand these concepts.

## Course Objectives:

1. Students will be able to explain the fundamental concepts of economics (scarcity, opportunity cost, positive statements, normative statements, production possibilities frontier, circular flow, economic resources/factors of production, markets, product markets, factor markets)
2. Students will be able to use the mechanics of supply, demand, and the price mechanism to:
  - Describe how the market resolves situations of excess demand (shortage) or excess supply (surplus)
  - Illustrate the difference between movements along the demand/supply curves and shifts of the demand/supply curves
  - analyze the effects of shocks on market equilibrium
3. Students will be able to calculate and apply the concepts of the Gross Domestic Product (GDP), the Consumer Price Index (CPI), GDP Deflator, inflation rates, unemployment rates, labor force participation rates, nominal versus real variables
4. Students will be able to explain the causes and consequences of:
  - Business cycles
  - Economic growth
  - Unemployment (natural, cyclical, structural, frictional)
  - Shocks to the aggregate economy using Aggregate Demand and Aggregate Supply
5. Students will be able to analyze the impact of fiscal and monetary policies on markets and the economy; they will be able to describe the effects of taxes, spending, money supply, and interest rates.

**Semester Plan:** The semester reading plan, as well as the exam dates, are attached to this document. As the semester proceeds, there may be changes in the dates certain material will be presented. I will announce any changes to the schedule and then post them on the course webpage on Blackboard. The exam dates will not change.

**Class Preparation:** Students are expected to have read the chapters of the textbook and other relevant readings prior to the presentation of the material in class. Students are also expected to review material covered in the previous classes. I expect every student to be able to participate in classroom discussions.

**Homework:** There are 10 online problem sets over the course of the semester. Due dates for these assignments are noted on the course schedule. Assignments are due at 10pm ET on the due date. Submission after the due date will not be accepted.

**Exams:** There are four exams in the course; three midterm exams and a final exam. These exams will consist of multiple choice questions that test your ability to apply the economic principles that you will learn through the lectures, textbook, and homework. Missed exams will generally be treated as zeroes. The exception is if you have a family emergency or serious personal illness. Documentation of the emergency or illness will be required.

If you miss an exam with a valid excuse, then the other exams will be re-weighted. There are **no make-up exams**. The first midterm exam will be given on **September 8**, the second midterm exam will be given on ~~October 11~~ **October 20** (moved due to hurricane), the third midterm will be given on **November 15**, and the final exam will be given on **Tuesday, December 6** from 4:00-7:00pm, according to the [final exam schedule given by the Registrar's Office](#).

Please note that programmable and graphical calculators and mobile phones are **not allowed for exams**. Please purchase a non-programmable calculator to use during exams.

**Grade Determination:** Your grade will be based on the following components: each midterm exam (20%), final exam (30%), and homework (10%).

The following grading scale will be employed:

A = 90.0 and up

B+ = 87.0-89.9

B = 80.0-86.9

C+ = 77.0-79.9

C = 70.0-76.9

D+ = 67.0-69.9

D = 60.0-69.9

F = 59.9 and below

Grades will be calculated exactly as above. Note that there are no opportunities for “extra credit.” Please do not ask for special favors or consideration of individual circumstances in the determination of your grade.

**Attendance:** Attendance will be monitored, but does not directly affect your grade. However, it is very likely that missing class will adversely affect your grade in an indirect way.

**Teaching Assistant Help:** You are welcome to visit the TA for any additional help that you might need with the course. Even though the professor teaching this class creates all your exam questions, the TA is in charge of grading your multiple choice answers. You are encouraged to visit the TA to review your exams and clarify any questions that you might have after they have been graded. Reviewing the questions that you missed on old exams will help prepare you for future exams (especially your comprehensive final exam). If the TA is not able to answer your queries about your old exam questions effectively, you are welcome to stop by my office for further clarification. Though the TA is there to help you clarify the course material, please understand that they are not your personal tutors.

**Tutoring:** The Student Success Center offers free tutoring for this class. Tutoring is available for this course to assist you in better understanding the course material. The Peer Tutoring Program at the Student Success Center provides free peer-facilitated study sessions led by qualified and trained undergraduate tutors who have previously taken and excelled in this course. Sessions are open to all students who want to improve their understanding of the material. You can make a one-on-one appointment with a peer tutor by going to [www.sc.edu/success](http://www.sc.edu/success). Drop-in Tutoring and Online Tutoring may also be available for this course. Visit their website for a full schedule of times, locations, and courses. You may also contact the Student Success Center at 803-777-1000 and [tutoring@sc.edu](mailto:tutoring@sc.edu) with additional questions. Please visit <http://www.sa.sc.edu/ssc/peertutoring/> for more information. The Economics Department also has a list of Graduate Students who offer one-on-one tutoring for a fee. This list will be posted on Blackboard.

**Civility in the Classroom:** Learning in the classroom is a social activity. Some behaviors can be distracting and degrade the ability of others to learn and the professor to teach. Chief among these is the use of laptops, tablets, and mobile phones.

As a result, *please do not use electronic devices of any kind during class unless you are instructed to do so. Laptops must be closed before the lecture begins.* I realize that some students prefer to use laptops to take notes, but there is no exception for that activity. There is ample evidence that use of laptops in university classes diminishes performance (see, for example, [Washington Post](#), [Psychology Today](#), [Time](#)). Finally, [here](#) is a list of other research on this subject compiled by Professor McDermott.

Please show respect to the instructor and the classmates. Any kind of troublesome behavior in the classroom that disturbs the instructor and/or the students during the class period will not be tolerated. Inappropriate behavior in the classroom shall result, minimally, in a request to leave the class. Do not walk

out of class. If you cannot come for the entire class, let me know in advance.

**Reasonable Accommodations for Students with Disabilities:** If you have any condition, such as a physical or learning disability, which will make it difficult for you to carry out the work as I have outlined it or which will require academic accommodations, please notify me through email AND in person with the appropriate documentation within the first two weeks of the course. Please also copy the course TA to this message.

**Academic Integrity:** You are expected to practice the highest possible standards of academic integrity. Any deviation from this expectation will result in a minimum academic penalty of your failing the assignment, and will result in additional disciplinary measures including referring you to the Office of Academic Integrity. Violations of the University's Honor Code include, but are not limited to improper citation of sources, using another student's work, and any other form of academic misrepresentation. For more information, please see the [Honor Code](#).

**Darla Moore School of Business Code of Student Conduct:** The Darla Moore School of Business is recognized globally for educating students who are prepared to become responsible business and civic leaders. An effective learning environment where students and faculty value integrity, professionalism and diligence is foundational to this mission. Consistent with these values, the Student Leadership Council and the faculty of the Darla Moore School of Business expect students to:

- spend a minimum of two hours outside of class studying for each hour of classroom time;
- exhibit classroom behavior that is respectful to faculty and fellow students;
- refrain from the use of phones and other electronic equipment during class, unless permitted by the instructor;
- arrive at class on time, actively participate in class, and not leave class early;
- keep up with assigned readings and complete assignments on time;
- contribute fully to team assignments;
- respect the university's staff and be responsible stewards of its facilities; and
- abide by the University of South Carolina Honor Code Approved by the Undergraduate Student Leadership Council and the faculty of the Darla Moore School of Business

*By enrolling in this class, you are bound by the Honor Code and Code of Conduct*

**NOTE:** The course syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary.

## Semester Schedule:

Date	Day	Topic	Readings	Problem Set Due
Aug. 18	Th	The Big Ideas in Economics	Ch. 1	
Aug. 23	T	The Power of Trade and Comparative Advantage	Ch. 2	
Aug. 25	Th	Trade, Supply and Demand	Ch. 2, 3	
Aug. 30	T	Supply and Demand	Ch. 3	PS #1, Ch. 1-2
Sept. 1	Th	Equilibrium: How Supply and Demand Determine Prices	Ch. 4	
Sept. 6	T	GDP and the Measurement of Progress	Ch. 6	PS #2, Ch. 3-4
Sept. 8	Th	<b>Midterm Exam #1</b>	Ch. 1-4, 6	PS #3, Ch. 6
Sept. 13	T	The Wealth of Nations and Economic Growth	Ch. 7	
Sept. 15	Th	Growth, Capital Accumulation, and the Economics of Ideas: Catching Up vs. the Cutting Edge	Ch. 8	
Sept. 20	T	Growth, Saving	Ch. 8, 9	
Sept. 22	Th	Saving, Investment, and the Financial System	Ch. 9	PS #4, Ch. 7-8
Sept. 27	T	Saving, Unemployment	Ch. 9, 11	
Sept. 29	Th	Unemployment and Labor Force Participation	Ch. 11	
Oct. 4	T	Inflation and the Quantity Theory of Money	Ch. 12	
Oct. 6	Th	<i>Missed class due to Hurricane Matthew</i>		
Oct. 11	T	<i>Missed class, Prof. DeBacker out of town</i>		
Oct. 13	Th	<i>No class, Fall Break</i>		
Oct. 18	T	Catch up and Exam Review		PS #5, Ch. 9, 11-12
Oct. 20	Th	<b>Midterm Exam #2</b>	Ch. 7-9, 11-12	
Oct. 25	T	Business Fluctuations: Aggregate Demand and Supply	Ch. 13	
Oct. 27	Th	Transmission and Amplification Mechanisms	Ch. 14	
Nov. 1	T	The Federal Reserve System and Open Market Operations	Ch. 15	PS #6, Ch. 13-14
Nov. 3	Th	Monetary Policy	Ch. 16	
Nov. 8	T	<i>No Class, Election Day</i>		
Nov. 10	Th	Catch up and Exam Review		PS #7, Ch. 15-16
Nov. 15	T	<b>Midterm Exam #3</b>	Ch. 13-16	
Nov. 17	Th	The Federal Budget: Taxes and Spending	Ch. 17	
Nov. 22	T	Fiscal Policy	Ch. 18	
Nov. 24	Th	<i>No class, Thanksgiving</i>		
Nov. 29	T	International Finance	Ch. 20	PS #8, Ch. 17-18
Dec. 1	Th	Stock Markets and Personal Finance	Ch. 10	PS #9, Ch. 20
Dec. 4	Sun	<i>Not a class meeting</i>		PS #10, Ch. 10
Dec. 6	T	<b>Final Exam</b>	<b>Cumulative</b>	