

Econ 102: Principles of Macroeconomics
Fall 2008

Instructor: Lukasz Drozd

Course Website: <http://www.ssc.wisc.edu/~ldrozd/102.htm>

Office Hours (Instructor): Social Sci 7426, Th 10 AM - 2 PM

Office Hours (Teaching Assistants): Check course website (link above)

Time and Location

LEC 002: Ingraham B10, MW 01:20 PM - 02:10 PM

LEC 003: Psychology 105, MW 02:25 PM - 03:15 PM

Course Description (Official)

Macroeconomic measurement and models of aggregate demand and supply; fiscal and monetary policy for unemployment, inflation, and growth.

Prerequisites

Econ 101 or AAE 215.

Textbook

Robert E. Hall and Marc Lieberman, “*Macroeconomics: Principles and Applications*”, 4-th Edition, Thomson South-Western. It is available for purchase at the University Bookstore or online at <http://www.ichapters.com> (enter the code 032442146X into the Multi-ISBN Search Window and click ‘go’ button, ebook available).

Course Website

On the class website, I will regularly post reading assignments, partial lecture notes, solutions to homework assignments, announcements made in class, and practice questions for exams. **You are responsible to check the course website on a regular basis.**

Discussion Sections

You must be enrolled in one of the discussion sections, and attendance is highly recommended. Discussion sections will cover practice problems regarding the material from the lecture. **You are not allowed to switch discussion sections, unless your TA and the TA you transfer to both agree. All transfers must be resolved in within the first week of classes.**

Office Hours/Emails

If you have questions, talk to your TA first during her/his weekly office hours (check course website for info). You may also email your TA. If the problem can not be handled by your TA, please come and see me during my office hour.

Homework Assignments

Starting from the second week of classes, homework will be assigned on a weekly basis (except for the weeks when there is an exam scheduled or not enough material has been covered). **The homework assignments will be posted on the course website by 3pm on Friday. If no assignment is posted by that time, you can assume there is no homework assignment for the following week.**

The homework assignments must be turned in to your TA on the following week, at the beginning of the meeting of the discussion section you are enrolled in. Late assignments will not be accepted under any circumstances. Each homework will be graded as check plus (excellent, counts as 100), check (satisfactory, counts as 90), check minus (inadequate, counts as 0). The TAs are responsible to grade your homework, but they are not responsible for correcting your mistakes. It is your responsibility to check the answer key later and find out what the correct answer was. The lowest homework grade will be dropped from your final score for the course.

Exams

There will be **two midterm exams and a cumulative final exam**. Exam will be based exclusively on multiple choice questions graded electronically. **The lowest midterm score will be dropped** from your final score for the course. **Please come at least 5-10 min. early to the exam, don't forget to bring your ID, and a simple calculator (no fancy calculators allowed).**

Exam	Room	Date and Time
Midterm I	TBA	15 Oct 08 (class time)
Midterm II	TBA	12 Nov 08 (class time)
Final (Cumulative)	TBA	16 Dec 08 (5:05PM - 7:05PM)

The dates of the exams are listed above, and **under no circumstances there will be a make-up midterm**. Students with scheduling conflicts must resolve them at the beginning of the semester or drop the course. Under extenuating circumstances, that could not have been resolved at the beginning of the semester, the make-up final is available. However,

in such case, you must notify me at least one week before the last day of classes, by documenting the reason why you need this special arrangement.

Grading Policy

Suppose we have 10 homework assignments, and suppose each homework and each exam is graded on a 0-100 basis. Then, your final score for the course will be calculated as follows: $Final\ score\ for\ the\ course = 10\% \times (\text{average score for 9 best homeworks}) + 40\% \times (\text{score for your best midterm}) + 50\% \times (\text{score for the final exam})$. Based on the *final score for the course*, and the ranking of the final scores of all the students in the class, the letter grades will be assigned using the following scale:

You final score is among the highest	Your letter grade is
0%-15% in the class	A
15%-35% in the class	AB
35%-60% in the class	B
60%-75% in the class	BC
75%-90% in the class	C
90%-100% in the class	D/F

If there is a significant discrepancy between the average homework score across TAs, the score for the homework may be curved. After the semester ends, I will post a detailed grade cutoffs and any adjustments you need to make to arrive at your final homework score. After you see the letter grade, it will allow you to calculate your score for the final exam (presuming you know midterm and homework score). **After the semester ends, we will not send any grading information by email. If you think a grading mistake has been made, contact our head TA by email to set an appointment.**

Grading Complaints

If you have a complaint about a grade, see your TA. If you still feel an error was made, type a letter describing the complaint, the grade you received, the grade you think you deserve, and hand in this complaint to your TA (or in case of the final head TA). Your homework/exam will be graded again by your TA entirely, and together with the homework passed to me for an approval. Note that the revised grade may well be lowered if other grading mistakes are detected in this process.

Students with McBurney VISA

Students with McBurney VISA are required to hand in a photocopy of their visa to me at least two weeks before the first midterm.

Tentative Course Outline

We will cover the following topics and chapters. The list is tentative and subject to change:

1. What is Macroeconomics About? Chapter 4.
2. Macroeconomic Measurement: Output, Unemployment, Price Level and Inflation. Chapters 5-6.
3. Classical Model. Chapter 7, parts of chapter 8.
4. Applications of Classical Model. Lecture notes, chapter 8, 15 helpful.
5. Banking System and Money Supply. Chapter 11.
6. Money Demand and Money Market Equilibrium. Chapter 12 (first part)
7. Introduction to Economic Fluctuations. Chapter 9
8. Keynesian Model. Chapters 10, 11, 12 (remaining part), 13
9. Exchange Rates and Macroeconomic Policy (if time allows)

Advice How to Succeed in the Class

Attend all lectures and discussion sections. Read the material before the lecture. Start working on the homework assignment at least a few days before it is due. On a weekly basis, visit the course website to review the answer key for the latest homework assignment returned to you, including the questions marked by check. Take notes whenever you study. Review and revise these notes before each exam. Make sure you emphasize and clearly explain to yourself the part of material that you found difficult or hard to digest. These notes will be invaluable at the end of the semester when a lot of material cumulates.

Additional Resources

- The Economic Student Association offers free tutoring for students. Learn more at <http://esa.rso.wisc.edu/>

- The Business Learning Center (2240 Grainger Hall) may have organized study sessions for Econ 102. Learn more at www.bus.wisc.edu/blc
- Carrie Stearns in 7238 SOC Sci has a list of econ graduate students who can be hired to tutor Econ 102. (NOTE: No current Econ 102 TA can accept money for tutoring.)

Academic Calendar

- <http://www.uwgb.edu/provost/calendars/acadcal08.asp>

Some Recommended Reading After the Course Ends

- Alan Greenspan: “The Age of Turbulence: Adventures in a New World”
- Robert F. Bruner, Sean D. Carr: “The Panic of 1907: Lessons Learned from the Market’s Perfect Storm”
- Adam M. Brandenburger, Barry J. Nalebuff, “Co-Opetition”