ECONOMICS 102
INTRODUCTORY MACROECONOMICS
FALL 2015

It is YOUR RESPONSIBILITY to be completely aware of all policies/information contained in this document. Students will be expected to adhere to all policies within the document.

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E-mail: eskelly@wisc.edu
Webpage: www.ssc.wisc.edu/~ekelly/econ102

TEXT:


It is also highly recommended that you read current event publications which cover economic events: among these recommended publications are The New York Times, The Wall Street Journal, Business Week, The Financial Times, Barron’s, and The Economist.

OVERVIEW:

Economics is the study of the production, allocation, and distribution of goods and services in a world where resources are scarce. In this course we will explore some basic concepts: the macroeconomic problems of unemployment, inflation, and sluggish economic growth. We will also consider the monetary and fiscal policies available to the government to alter the prevailing economic situation. The course will also examine the role of government, government expenditures and revenues, the Federal Reserve System, and the creation of money. We will also consider recent macroeconomic events and the Financial Crisis of 2008.

COURSE STRUCTURE AND GRADING POLICY:

Lectures:

There are three lectures and a discussion section each week. This semester marks the first time that Econ 102 is a four credit class at the University of Wisconsin: there will be more lecture time and also more homework associated with the class than in previous semesters due to this change. Students are expected to have completed the reading prior to lecture. Attendance is not mandatory at the lectures, but exams will focus primarily on material presented in lecture.

Discussion Sections:
Attendance at discussion sections is highly recommended. Your Teaching Assistants will take attendance at each meeting. Discussion sections provide an opportunity to ask questions, go over problems from the web page, and generally reinforce material that has been presented in lecture. Your T.A. will be available during the discussion section and during office hours to answer your questions. In addition to attending the discussion section that you are enrolled in, you are also welcome to attend other discussion sections. We will make available a list of all T.A.s, their discussion sections, and the times and locations for these discussion sections.

Website:

There is a course website at www.ssc.wisc.edu/~ekelly/econ102. This website provides a wealth of material: e.g., information about exams, announcements about the class, old practice questions and homeworks (with answers), old exams, and information about TAs. Please take advantage of this website as a study guide. Please note that midterm exams do not always fall at exactly the same point in the semester: coverage on any given exam is specific to the semester.

GRADES:

There will be two midterms, five homeworks, and a comprehensive final. The midterms will be on

**Monday, October 12, 2015 and**

**Monday, November 16, 2015**

The midterms will be held in class: students should plan to arrive ten minutes early on the midterm dates to their assigned classroom in order that the full class hour is available to them for the exam. Students arriving late will not receive compensating time: all exams must be turned in to the proctor at the end of the class hour.

Midterms are mandatory: students missing midterms will receive a grade of zero for that exam unless they provide documentation of illness. **The midterm exam format will be announced in class prior to the exam.**

There will be a mandatory comprehensive final exam on

**Saturday, December 19, 2015 from 10:05 a.m. to 12:05 p.m.**

The final exam format will be announced in class prior to the exam.

The weight of the exams will be

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>First Midterm</td>
<td>25% of grade</td>
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<tr>
<td>Second Midterm</td>
<td>25% of grade</td>
</tr>
<tr>
<td>Final</td>
<td>40% of grade</td>
</tr>
<tr>
<td>Homeworks</td>
<td>10% of grade</td>
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</tbody>
</table>
All exams are required.

Students can anticipate that grades will fall roughly along the following distribution:

A: 20% of the class
AB: 20% of the class
B: 20% of the class
BC: 20% of the class
C, D and F 20% of the class

LOW GRADES ON MIDTERMS WILL NOT BE DROPPED; ONCE YOU TAKE A TEST THE GRADE YOU RECEIVED STAYS ON YOUR RECORD.

THERE IS NO EXTRA CREDIT IN THIS COURSE.

THERE WILL BE NO MAKE-UP EXAMS TO REPLACE MIDTERMS THAT HAVE BEEN MISSED.

IMPORTANT DATES:

<table>
<thead>
<tr>
<th>Date</th>
<th>Assignment</th>
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<tbody>
<tr>
<td>9/21/15</td>
<td>Homework #1 Due in Class</td>
</tr>
<tr>
<td>10/5/15</td>
<td>Homework #2 Due in Class</td>
</tr>
<tr>
<td>10/12/15</td>
<td>FIRST MIDTERM IN CLASS</td>
</tr>
<tr>
<td>10/26/15</td>
<td>Homework #3 Due in Class</td>
</tr>
<tr>
<td>11/9/15</td>
<td>Homework #4 Due in Class</td>
</tr>
<tr>
<td>11/16/15</td>
<td>SECOND MIDTERM IN CLASS</td>
</tr>
<tr>
<td>12/14/15</td>
<td>Homework #5 Due in Class</td>
</tr>
<tr>
<td>12/19/15</td>
<td>FINAL EXAM FROM 10:05 A.M. to 12:05 P.M.</td>
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</tbody>
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CLASS RULES AND EXAM RULES:

1. During lecture students should limit all conversations with one another: these conversations make it difficult for others to hear the lecturer.
2. During lecture students should turn cell phones off; there should be no texting during lecture. Your texting is distracting to others in the class.
3. During lecture students should take notes: this implies that you should not be “surfing” the internet. Your activity online is distracting to other students.
4. Students with questions should raise their hands so that the professor can recognize the student, receive the question, and answer the question.
5. When the professor asks the class a question, students wanting to provide answers should signify their willingness by raising their hands.
6. Students should put away all “earbuds” prior to the start of lecture.
7. During exams there is absolutely no talking allowed between students: students caught talking with one another will receive a zero on the exam.
8. During exams all cell phones should be turned off and stowed in backpacks: students caught with cell phones in their possession during the exam will receive a zero on the exam.
9. During exams NO CALCULATORS ARE ALLOWED: students caught with calculators will receive a zero on the exam.
10. Students are responsible for covering their answers during exams: it is considered academic misconduct to allow others to freely see your answers.
11. If students elect to record their answers on their exam booklet prior to filling out their scantrons, this recording should be small and not easy to be seen from twenty inches away. Answers recorded in large script on the exam booklet will be considered a sign of academic cooperation with other students on the exam and will result in the student recording these symbols on their exam receiving a zero on the exam.

**PROFESSOR KELLY’S EXPECTATIONS FOR HER STUDENTS:**

1. Attend all lectures, take notes, and stay awake and alert.
2. Attend discussion section each week. Prior to going to discussion identify any problem areas from the lecture and be prepared with questions for your TA.
3. Do practice questions and problems as they are made available. Seek help from fellow students or your TA if you are having trouble. Realize that an inability to do these practice questions and problems with facility suggests you do not understand the material and if you do not remedy the situation your grade on the midterm will suffer.
4. Do reading before the lecture. Take reading notes (notetaking is superior to highlighting).
5. Do reading again after the lecture. Take reading notes (yes, again).
6. Do practice questions from the class website and for those that are troublesome to you, seek help from your TA during discussion section.
7. Students failing to achieve an average of 50% for all graded material should not expect to pass this class.
8. There are no graduating seniors. There are seniors who take the class, but they are graduating seniors only after they successfully complete all their required coursework at the University.
9. Students should keep a datebook and have all test dates and review sessions recorded in this notebook.
10. Students struggling with material should see their T.A.s during the T.A.’s office hours.
11. Students with questions about their grades should see Professor Kelly.
12. No student should expect extra credit or special consideration beyond that offered due to a student's status as a McBurney Student.
13. Students struggling with the material or with weak math backgrounds should take advantage of tutoring services offered by The Learning Center at Grainger Hall, ESA, or GUTTS. Students who come to see me will be asked about each of these expectations in turn. My belief is that for most students to succeed in this course they must follow the above guidelines.

**ACADEMIC MISCONDUCT:**

“Society depends upon some minimal level of integrity in our graduates, not just upon their academic knowledge or skills.”

- Gary Pavela, founding member of The Center for Academic Integrity

Academic misconduct is a vital issue concerning all members of the University community. Those who engage in academic misconduct, and those who ignore it when they become aware of it, threaten the integrity of the University and of the educational process.
As a UW-Madison student, you have the right to expect that you and other students will be graded fairly, and you have rights of due process should you be accused of misconduct. You also have an obligation to conduct your academic work with honesty and integrity according to University standards. Therefore, it is important that you:

- Become familiar with the rules of academic misconduct.
- Ask your instructor if you are unsure what behaviors constitute academic misconduct in a specific class or assignment (for example, how to cite from the web or whether to work with another student on an assignment).
- Let your instructors know if you think you see incidents of misconduct.
- Be aware that helping someone else to cheat is a violation of the rules and may result in misconduct charges against you.

READING LIST

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>READING</th>
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<tbody>
<tr>
<td>Introduction: PPFs, Absolute and Comparative Advantage</td>
<td>Introduction, Chapters 1 and 2, Mathematical Appendix at end of Chapter 2, pages 131-141</td>
</tr>
<tr>
<td>Review of Supply and Demand</td>
<td>Chapters 3, 4 and pages 141-162 (includes the Appendix to Chapter 5)</td>
</tr>
<tr>
<td>GDP Accounting, Employment and Inflation</td>
<td>Chapters 6, 7 and 8</td>
</tr>
<tr>
<td>FIRST MIDTERM</td>
<td>Covers all assigned readings: CHAPTERS COVERED ON MIDTERM WILL BE ANNOUNCED PRIOR TO THE MIDTERM</td>
</tr>
<tr>
<td>Long run Economic Growth</td>
<td>Chapter 9</td>
</tr>
<tr>
<td>Classical Long-Run Model: Savings, Investment Spending, and the Financial System</td>
<td>Chapter 10</td>
</tr>
<tr>
<td>Keynesian Model: Income and Expenditure</td>
<td>Chapters 11 and 13, the Appendix to Chapter 11, and the Appendix to Chapter 13</td>
</tr>
<tr>
<td>AD/AS Model: Aggregate Demand and Aggregate Supply</td>
<td>Chapter 12</td>
</tr>
<tr>
<td>SECOND MIDTERM</td>
<td>Midterm is cumulative: CHAPTERS COVERED ON MIDTERM WILL BE ANNOUNCED PRIOR TO THE MIDTERM</td>
</tr>
<tr>
<td>Money, Banking and the Federal Reserve System</td>
<td>Chapter 14</td>
</tr>
<tr>
<td>Monetary Policy</td>
<td>Chapter 15 and Appendix to Chapter 15</td>
</tr>
<tr>
<td>Inflation, Disinflation and Deflation</td>
<td>Chapter 16</td>
</tr>
<tr>
<td>Crises and Consequences</td>
<td>Chapter 17</td>
</tr>
<tr>
<td>Macroeconomics: Events and Ideas</td>
<td>Chapter 18</td>
</tr>
<tr>
<td>FINAL EXAM</td>
<td>Comprehensive, covers all chapters and appendices assigned in Krugman/Wells text</td>
</tr>
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Grievance Procedure

The Department of Economics has developed a grievance procedure by which students may register comments or complaints about a course, an instructor, or a teaching assistant. The Department continues to provide a course evaluation each semester in every class. If you wish to make anonymous complaints to an instructor or teaching assistant, the appropriate vehicle is the course evaluation. If a student has a disagreement with an instructor or teaching assistant, we strongly encourage trying to resolve the dispute with him or her directly. The grievance procedure is designed for situations where neither of these channels is appropriate.

To file a grievance, go to Room 7470 Social Science and request a Course Comment Sheet. When completing the comment sheet, please provide a detailed statement describing what aspects of the course seem unsatisfactory. Sign the sheet, provide student I.D. number, address, phone number, and email address. The Department will investigate comments fully and will respond in writing.

Grievances must be filed in a timely manner. Normally, grievances MUST BE FILED WITHIN 30 DAYS OF THE START OF THE FOLLOWING SEMESTER. This deadline will be waived only under exceptional circumstances.

Your name, address, phone number, email address, and student I.D. number will not be revealed to the instructor or teaching assistant, and will be treated as confidential. The Department needs this information if it becomes necessary for a commenting student to meet with the Department Chair or a nominee to gather additional information. A name and address are necessary to provide a written response.

(updated 8/2010)