

Principles of Macroeconomics

Econ 102.102

Spring 2016

Instructor: Obeid Rehman

Office: 104 Lorch Hall

Office Hours:

Wednesdays: 12:00 pm – 1:00 pm

Thursdays: 12:00 pm – 1:00 pm

Email: obeidr@umich.edu (Please refer to the email policy)

Class Time: Wednesday – Thursday 3:00pm – 6:00pm, WEISER 269

Course Description:

The fundamental concepts and theories of macroeconomics are developed and used to analyze problems of current interest. Macroeconomics is the study of economic behavior in aggregate – how an economy grows and changes, and perhaps most importantly, how (if at all) we can manipulate it in order to increase overall welfare. Along the way, we will consider theories of money, unemployment and growth.

The class materials (slides, problem sets) for this course have been developed by Adam Stevenson for his Econ 102 class. I will generally follow his course outline with edits in some portions.

Prerequisites:

Completion of Econ 101 is recommended but not strictly necessary to succeed. While some time will be spent reviewing the most critical topics of Econ 101, this course will expand your comfort in graphical and algebraic analysis, which I expect has already been developed to a reasonable level from Econ 101.

Assigned Reading:

You are required to read *Macroeconomics*, by Paul Krugman and Robin Wells. Any edition between the 2nd and 4th is fine, in any format (new v used; physical v electronic; purchased v rented). Any additional required reading will be posted on Canvas.

Website: All files, emails, announcements, and grades will be posted or sent through Canvas.

Email Communication:

Emails are by far the most preferred method of contacting me. Not only is it the easiest way to get in contact with me but it also provides an automatic record of the conversation. Late night emails as well as weekend emails will not necessarily be responded to until the following school day; Emails requesting information easily found in the syllabus will be responded to by referring you to your syllabus;

Grading Policy:

The graded work for this course will include the following: 2 exams (1 midterm, 1 non-comprehensive exam during finals week), and 10 homework assignments. Grade percentages are as follows:

Exam 1:	40%
Exam 2:	40%
Assignments:	20%
Total	100%

Exam Timings:

Exam 1: Wednesday, June 1st 3:00 pm – 5:00 pm

Exam 2: Friday, June 24th 8:00 am – 10:00 am

Homework practice problems:

There will be 10 homework assignments throughout the semester. Assignments will be posted to Canvas. Please refer to the Homework Policy document for full details on grading and submission requirements.

Grading:

Letter grades are only assigned at the end of the semester. They are based on a typical 10-point scale. (For example, an 80% to an 82% is a B-, an 83% to an 86% is a B, and an 87% to an 89% is a B+.) Should the performance of the class prove inconsistent with this scale, a relative grading scale will be implemented. Under this relative grading scale, approximately 25% of the class will receive some sort of an A, and 33.3% (1/3 of the class) some sort of a B. This relative scale will be adopted only if it has no detrimental effect on students. That is to say, students will either be helped or unaffected by the relative grading scale, should it be adopted.

Extra Credit: I do not offer extra credit.

Grading Policy – Special Circumstances:

The following briefly discusses procedures for special circumstances related to grades. This course will adhere to the policies and procedures adopted by the Economics Department. For a more thorough discussion, please review the documents found at

<http://www.lsa.umich.edu/econ/undergraduatestudy/policiesandprocedures>.

Special Circumstances include:

- Exam and assignment accommodations
- Excused, and unexcused absences from exams
- Late or missed homework assignments
- Appealing a grade
- Medical emergency related absence from an exam.

There are no make-up or conflict exams given in this class (including and especially for simply missing the exam due to sleep or confusion about exam times). Students with excused absences from exams will attribute the weight of the missed exam across the other exams. Students failing to attend an exam without an approved excuse will receive a zero on the exam. Requests for

excused absences may be sent any time prior to an exam but no later than 1 day after the exam in question. Requests must be sent via email for documentation purposes. Any supporting documents may be scanned and attached, or hand delivered after the email correspondence.

Students failing to submit a homework assignment by the due date will receive a zero for that assignment unless approved in advance by the Instructor

Grade Appeal

Students wishing to contest their grades on exams or assignments may do so within 10 days of the return of their work.

Simple mathematical mistakes by the graders (point totals what were added wrong, etc.) will be corrected immediately once brought to our attention, and you need not submit a formal written appeal to have these changes applied.

If you feel that you have been graded unfairly, you may request a re-evaluation of your answer. Our definition of *fairness* generally involves ensuring that your submission was graded in a manner consistent with the standards applied to other students, consistent with the question as asked, and consistent with the classroom material as taught.

For a re-evaluation the student should email a formal request to the instructor. The email should contain a description of the grading error including the student's answer, the grade response, and the reason why the student's answer is superior.

Medical Emergency

A student is considered to have a medical emergency if at least one of the following two statements is true: the student is an in-patient in a hospital on the day of the examination; A health professional answers "yes" to question 1, question 3, and/or question 4 on the medical emergency form found on the "Policies and Procedures" site listed on this page, and the student returns the completed form to the Lecturer no later than 1 week after the exam. ALL STUDENTS should obtain a copy of the medical emergency form, as one cannot anticipate emergencies. Submission of the medical emergency form should be done via email attaching the form as a scan or picture.

Medical Emergency Form: <http://lsa.umich.edu/content/dam/econ-assets/Econdocs/MEDICAL%20EMERGENCY%20FORM%202016%2003%2021.pdf/subassets/page1.pdf>

Students with Disabilities

Reasonable accommodations will be made for students holding an appropriate VISA (Verified Individualized Student Accommodation), issued by Services for Students with Disabilities office. In order to take advantage of available accommodations, students must register with Services for Students with Disabilities office at G664 Haven Hall, 734-763-3000. For homework and/or exam accommodations, students must submit their VISA forms to the Instructor in person, two or more weeks in advance of due dates / exam dates. If shorter notice is given, accommodations will be subject to the discretion of the Instructor.

Electronic Devices:

Silence your cell phones and whatever else you have that makes noise. Please consume your (non-course-related) media elsewhere than in class – it’s distracting to me, and to your peers around you. I reserve the right to ban all laptops from the class if this becomes an issue.

The use of electronic devices such as cellphones, smart phones, smart watches, tablets, etc. during exam will be considered cheating, and treated as such.

Conduct:

I take cheating and other forms of academic misconduct very seriously. This course will adhere to the departmental policy on academic integrity adopted by the Economics department. All cases of suspected misconduct will be reported to LSA. Should a student be found responsible for committing academic misconduct they will receive a failing grade for the course. A copy of this policy can be found at <http://www.lsa.umich.edu/econ/undergraduatestudy/policiesandprocedures>.

Class Forum:

I want class to be open. If you have a question, ask it. Someone else undoubtedly was wondering the same thing. Don’t ever be afraid to speak up in my class, even if you just want me to slow down or repeat myself. My purpose here is to teach you economics. Making the content available in the most straightforward format possible is critical.

Course Outline:

A tentative course outline is given below; it may change depending on our speed and progress through the term.

May	Monday	Wednesday	Thursday	Friday
Week 1	2	4	5	6
		Intro - Syllabus	PPF Basics	HW 1 Due
		Supply & Demand	Handout Supply & Demand	
			Macro Choice (Markets)	
Week 2	9	11	12	13
		Handout Macro Choice Markets	Growth basics	
		The size of the economy	Solow growth and growth policy	
		Growth basics		
		HW 2 Due		HW 3 Due

Week 3	16	18	19	20
		Solow growth and growth policy	Inflation and unemployment	
		Handout Growth	Savings and investment	
		HW 4 Due		HW 5 Due
Week 4	23	25	26	27
		The Keynesian Framework	Equilibrium in the SR	
		HW 6 Due	Handout Keynes	
June Week 5	30	1	2	3
		EXAM 1	Fiscal Policy	
			SR Fluctuations	
Week 6	6	8	9	10
		Handout SR Fluctuations	The budget deficit quiz	
		Handout Fiscal Policy	Money and banking	
		HW 7 Due		HW 8 Due
Week 7	13	15	16	17
		Theory of monetary policy	Handout Monetary Policy	
		Practical monetary policy	Handout Philips Curve	
		HW 9 Due	Money in usual times	HW 10 Due
	18	20	22	24
				EXAM 2