

Oakland University
School of Business Administration
CRN 11864-ECN 2020*: Principles of Global Macroeconomics, Winter 2018

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Office Hours: M: 4:50-6:25 PM; R: 11:47 AM-1:47 PM; also by appointment
Class Time: TR: 10:00 AM–11:47 AM
Class Location: 384 MSC

*ECN202 is equivalent to ECN2020

*Email is the preferred and fastest way to contact your professor. When you email me, **please write in the subject line the section and meeting times** of the class you're taking.

REQUIRED COURSE TEXT:

Option1: Macroeconomics (4th Edition) by Krugman and Wells, Worth Publishers (2015), loose leaf w/
LaunchPad for Macroeconomics (6 month access card), **ISBN-13:** 978-1-319-035907 or **ISBN-10:** 1-319-035906.
This package is available at OU bookstore.

Option 2: you can purchase access to **LauchPad** online from the following website:

<http://www.macmillanhighered.com/launchpad/krugmanwellsmacro4/7231692>

LaunchPad is required for the online tests and homework assignments. The **LaunchPad** site you will give you access to **the electronic version of the textbook**, PowerPoint slides, graphing tools, self-test quizzes, additional web links, and other helpful resources.

PREREQUISITES:

High School Algebra.

CATALOGUE COURSE DESCRIPTION:

Examines a broad range of macroeconomic concepts such as determination of national income, short-term fluctuations in the economy and long-term economic growth, fiscal and monetary policies, money and banking, inflation and unemployment, with special emphasis on their global significance, and on international comparisons of macroeconomic attributes. The course introduces key concepts that will strengthen understanding of the interlinked global economy, such as comparative advantage, balance of trade and payments, exchange rates, barriers to free trade, international growth convergence, and the impact of cultures and norms on economic performance. Students are highly recommended to take ECN 2010 prior to taking ECN 2020.

REQUIRED USE OF COURSE MOODLE SITE:

The Moodle site developed for this course contains: (1) course syllabus, (2) PowerPoint slides of the lectures, (3) and sample questions for test 1. When you registered for this course you were automatically enrolled in the course Moodle site.

COURSE DESCRIPTION:

Macroeconomics studies the aggregate economic behavior of national economies and governments. This course is designed to introduce students to the fundamental issues and concepts of macroeconomics like choice, scarcity, opportunity costs, production-possibilities frontier, and demand-supply will be studied before macroeconomics is introduced.

Macroeconomics studies two basic problems markets economies face – short-run economic fluctuations, also called business cycles, and long-run economic growth. The course will help students to understand how an economy attains balance in the short-run, how shocks to the economy disturb that balance and cause cyclical fluctuations, how the economy responds to those disturbances, and how the government can take appropriate policy actions to help the economy regain its balance. Students will also learn that the economy's short-run balance may be inconsistent with its long-run balance. In this context it is important to study the impact of government policies aimed at solving short-run imbalances on the long-run. The course will conclude with a discussion of long-run economic growth - the factors that contribute to it and the reasons for differential long-run growth experiences of countries around the world.

COURSE GOALS:

As a result of taking this course-

1. A student should be familiar with the terminology of economics and understand the basic methods and analytical tools which economists use to study economic problems.
2. A student should be able to identify key institutional and historical facts that characterize the U.S. and other principal economies.
3. A student should understand the following major economic concepts and theories related to:
 - Scarcity, tradeoffs, and the role of markets
 - The U.S. financial system and interest rates.
 - Macroeconomic objectives and the use of fiscal and monetary policies to attain these objectives.
 - Current controversies including tradeoffs between inflation and unemployment, taxation and government spending.
 - Foreign exchange and the balance of payments.
4. A student should recognize the breadth of issues and problems that economic analysis helps to answer – price determination under perfect competition, unemployment, inflation, economic growth, and business cycles.
5. A student should recognize how people use economic concepts in their daily lives, for example, tradeoffs and opportunity cost.

LEARNING OUTCOMES:

Since ECN 2020 is a General Education class in Global Perspective and Social Science, we will be assessing this semester the following two sets of learning outcomes:

ECN 2020 is a general education class in the Social Science Area.

1. Knowledge of concepts, methods and theories designed to enhance understanding of human behavior and/or societies.
2. Application of concepts and theories to problems involving individuals, institutions, or nations

ECN 2020 is a general education class in the Global Perspective Area.

1. Knowledge of the economies of one or more regions outside the United States and awareness of the transnational flow of goods, peoples, ideas and values.
2. Knowledge of the role that different cultural heritages, past and present, play in forming values in another part of the world, enabling the student to function within a more global context.

GLOBAL BUSINESS ENVIRONMENT LEARNING OBJECTIVES:

Given that the global business issues are heavily involved in this class, we will be assessing this semester the following set of global business environment learning objectives:

1. Show awareness of a global issue relevant to business or the economy.
2. Demonstrate understanding of factors and/or forces associated with this issue.
3. Explain the impact of this issue on the business environment.

Testing of the learning outcomes and objectives (pre-test/survey and post-test through ESpace) will be administered by the department of economics. If they decide not to do it this winter term, then the 10 points on this requirement will be replaced by the average points you earned on all the LaunchPad HW assignments (after dropping the lowest score).

CLASS MEETINGS:

The general methodology will be lectures, problems, and class discussions of some economic topics in the U.S. and in the world. To gain the greatest benefit, the student should complete the reading assignments before the class meetings. Classroom lectures are organized around PowerPoint slides developed by the authors of our text. To minimize note taking, you should print out the PowerPoint slides for the chapter that will be covered and bring them to class.

ATTENDANCE:

Regular attendance is required and participation is strongly encouraged. You will be held responsible for material covered in class as well as for material in the textbook and readings. Questions on the tests and final exam may come from the text, PowerPoint presentations, lectures, and/or homework assignments. Also, you are responsible for any announcements made in class.

WEATHER POLICY:

Classes are canceled when it is listed as such on the university's website.

WITHDRAWAL POLICY:

The last day to drop classes is the date as published in the Schedule of Classes for this semester.

ACADEMIC HONESTY:

As a matter of ethics and to protect the integrity of grades, each student is responsible for producing his or her own work. For example, copying other people's work or unauthorized sharing of notes or calculators during exams constitutes cheating. Students caught cheating will be given a failing grade for this course and could be expelled from the University.

CLASSROOM BEHAVIOR:

I expect you to conduct yourself with professional courtesy in the classroom. In other words, you should be in your seat and ready to start when class begins. In the rare, unavoidable situations when you must leave class early, let me know before class begins. If you must be excused for a few moments during class, please do so with as little disruption to the class as possible. You should not talk to other students during lectures unless directed to do so by the professor. Cell phones should be turned off unless you notify the instructor that you have a special need for a cell phone. Also, talking and other inappropriate behavior while class is ongoing is strongly discouraged. Please respect your classmates. Those sitting around you cannot hear the lecture when you engage in conversation.

ACCOMMODATION FOR STUDENTS WITH DISABILITIES:

If you have a documented disability that requires accommodations, you will need to register with the Office of **Disability** Support Services (DSS) for coordination of your academic accommodations. The Office of **Disability** Support Services (DSS) is located in 121 North Foundation Hall. DSS telephone number is (248) 370-3266. Once you have your accommodations in place, I will be glad to meet with you privately during my office hours to discuss your special needs. "The Office of **Disability** Support Services' mission is to ensure that all students with disabilities participate fully in university life. The DSS provide and coordinate services and programs so students with disabilities can maximize their educational potential and to increase the level of awareness among all members of the university community."

EVALUATION CRITERIA:

The final grade is a composite of the grades you receive on the online homework assignments, online tests, testing of learning outcomes three exams, and final exam as set forth below. The various components and their weights for the final course grade are shown below:

LaunchPad Assignments	30	Four Assignments (lowest score dropped), 10 Points Each
LaunchPad Tests	30	Three Online Tests (lowest score dropped), 15 Points Each
Pre-Test/Survey and Post-test	10	Instructions will be Provided Later, 10 Points
Exams (3)	90	Three In-Class Exams, 30 Points Each
Final Exam	40	In-Class Final Exam, 40 Points
Total Points:	<u>200 pts.</u>	

The total number of points you receive determines your final grade in this course. Your course grade will be converted to the official Oakland University's 32 point grading scale by using the following formula:

$1.0 + 3.0 * (\text{your points} - \text{cutoff for 1.0}) / (\text{cutoff for 4.0} - \text{cutoff for 1.0})$. For example, I'll use 190 points as the cutoff for 4.0, and 100 points as the cutoff for 1.0, in which case 180 points=3.7, 160 points=3.0, 140 points=2.3, 130 points=2.0 correspondingly. I may change the cutoff points with respect to your performance.

LAUNCHPAD HOMEWORKS:

You are required to complete four online homework assignments on LaunchPad. Your lowest homework score will be dropped. Each online assignment will cover one or two chapters. You will be able to access the assignments by going to the following site: <http://www.macmillanhighered.com/launchpad/krugmanwellsmacro4/7231692>, then entering your e-mail address and password and navigating to the assigned homework questions.

You will have 48 hours to complete a homework assignment. For each assignment you will get two attempts to complete the questions correctly. Once you start an attempt you must complete and submit the attempt.

Warning: Sometimes the LaunchPad site is down for a short period of time for maintenance. This will **NOT** affect the number of attempts (two) or the duration of the interval (48 hours) to complete the homework questions. It is your responsibility to work around this problem. Each student is responsible for producing his/her own homework.

LAUNCHPAD TESTS:

You are required to take three online tests during our regular meeting times on Tuesdays on LaunchPad. Your lowest LaunchPad test score will be dropped. Each test will cover one or two chapters. You will be able to access the tests by going to the following site: <http://www.macmillanhighered.com/launchpad/krugmanwellsmacro4/7231692>, then entering your e-mail address and password and navigating to the assigned tests.

For each test you will get two attempts and for each attempt you will get 45 minutes to complete the questions correctly. Once you start the test, you cannot quit, you must complete and submit the test.

EXAMINATION PROCEDURE:

The exam problems and questions are based on the classroom materials, homework assignments, the problems listed at the end of each chapter, and the "check your understanding" questions within each chapter; you should work as many of these questions as possible. In addition, students are expected to acquire a conceptual understanding of the material presented in lectures and in the assigned text chapters, as questions of a conceptual nature will also appear on the exams. Each of the three exams will consist of approximately 30 multiple-choice questions while the final exam will consist of 40 multiple-choice questions. The final exam is not cumulative, although concepts developed in earlier chapters will necessarily be employed in later chapters. The three exams and final exam will be closed book and closed notes. **You will need 4 Scranton 882-E** (green) forms. These forms are available at the OU Bookstore.

Also:

- You **may use** any type of calculator, other than a cell phone
- You **may not** use a computer notebook.
- **NO** cell phones allowed "on" or "out" during the exams.
- **NO** sharing calculators and/or notes.
- **NO** talking or looking at another's paper.

TESTS/ EXAMS-- MAKE-UPS:

Make-ups for the three exams and final exam will be allowed only under **extreme circumstances** that can be documented. Students in this case, must notify me within 48 hours from the scheduled exam date. The makeup, in this case, does not necessarily have the same format as the missed exam. It is up to your instructor to decide on the **format of the makeup or how to make up the missed points**, which could include only essay questions, writing a paper, or any other type of questions in testing your knowledge of the required materials. An exam, which is not made up, will receive a "0" for the purpose of grade calculation. Since your lowest HW score and lowest LaunchPad test score will be dropped, there will be **ABSOLUTELY NO MAKEUPS** for the online tests and HW assignments.

CHAPTERS

Chapter 1:
Chapter 2:
Chapter 3:
Chapter 5:
Chapter 6:
Chapter 7:
Chapter 8:
Chapter 9:
Chapter 10:
Chapter 11:
Chapter 12:
Chapter 13:
Chapter 14:
Chapter 15:
Chapter 16:
Chapter 17:
Chapter 19:

TOPICS

First Principles
Economic Models: Trade-offs and Trade
Supply and Demand
International Trade
Macroeconomics: The Big Picture
GDP and the CPI: Tracking the Macroeconomy
Unemployment and Inflation
Long-Run Economic Growth
Savings, Investment Spending, and the Financial System
Income and Expenditure
Aggregate Demand and Aggregate Supply
Fiscal Policy
Money, Banking, and the Federal Reserve System
Monetary Policy
Inflation, Disinflation, and Deflation
Crises and Consequences
Open-Economy Macroeconomics

SCHEDULE OF IMPORTANT DATES*:

Test/Exam/HW	Chapters	Date Scheduled (due date for HW)
LaunchPad HW 1		01/19/2018
Exam 1	1, 2, 3 and 5	01/23/2018 @ 10:00 AM
LaunchPad Test 1		02/06/2018 @ 10:00 AM
LaunchPad HW 2		02/16/2018
Exam 2	6, 7, 8 and 9	02/27/2018 @ 10:00 AM
LaunchPad Test 2		03/13/2018 @ 10:00 AM
LaunchPad HW 3		03/23/2018
Exam 3	10, 11, 12 and 13	03/27/2018 @ 10:00 AM
LaunchPad HW 4		04/06/2018
LaunchPad Test 3		04/10/2018 @ 10:00 AM
Final Exam	14, 15, 16, 17 and 19	04/19/2018 @ 8:00 AM

* Notes:

1. Homework will be available from Wednesday at 2:00 pm through Friday at 2:00 pm. This means that many weeks, you will be doing homework for the most recent material. Make sure you budget your time.
2. This schedule is tentative and subject to change. I will announce any changes in class at least one week in advance.
3. I will dispose all the tests/exams/assignments on the first day of the following academic year (Winter 2019).