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Prerequisites:

E201: Introduction to Microeconomics.

Required textbook and resources:

- Class Canvas Website: <https://iu.instructure.com/courses/1907533>
Canvas is the primary mode of communication for all class information, exams, assignments, etc. You will need to visit this site frequently throughout the semester and make sure you will receive messages sent through Canvas.
- Hubbard, G. and O'Brien, A., *'Macroeconomics'*, 7th edition, Pearson
- MyEconLab Access Code
- IU Zoom: <https://uits.iu.edu/zoom>

Class Format: This course uses an asynchronous online pedagogy. You will need the following in order to participate in this course: computer or tablet, reliable internet connection, microphone, and access to Canvas using a supported web browser. There is no exception to this equipment and internet service requirement. Redacted presentations slides and pre-recorded module presentations will be uploaded to Canvas. Module presentations are not a substitute for reading all the required material nor are the readings a substitute for module presentations and participating in online activities. You are responsible for all material presented in the textbook as well as module presentations, for any assessment. A student should watch every pre-recorded module presentation and is responsible for all work posted in Canvas and assigned readings.

Course description: This course will provide you an opportunity to learn the language commonly used in macroeconomics and the way the macro economy works. You will gain insight into how the overall economy behaves and how this behavior affects your life. For example, on any given day you can see reports on macroeconomic performance measures, commentary, and opinion from your favorite television news, newspaper, or news outlet. Topics discussed in this course will better equip you to analysis this information and form your own opinion as to the state of the economy. From this understanding, you will discover that the performance of the macro economy can affect such things as your income, employment opportunities, and even your well-being. Topics you learn will increase your understanding of the impact of a sustained price change in a widely used raw commodity (crude oil, basic metals, wheat, corn, etc.) that you face when you try buy things that you need and desire.

After successfully completing this course, you should have a basic understanding of principle macroeconomic concepts, monetary and fiscal policy tools, role of policy makers in the macro economy, institutions important to the macro economy, and a framework to analysis the performance of the macro economy.

Indiana University's GenEd Learning Outcomes (from the Social and Historical Studies requirements):

Students will demonstrate the following requirements.

- Requirement (3): skills of inquiry and analysis
- Requirement (4): quantitative and/or qualitative literacy through theory and methodology

Course Learning Outcome: The primary learning outcome of this course is for a student to develop and apply economic reasoning to both everyday choices and business decisions that stem from the macro economy. In addition, the student should have the ability to use basic economic models for insight in various problems and situations in the macroeconomic setting.

Course Learning Objectives:

Have an understanding and ability to apply at an elementary level each of the following six categories of concepts, terms, and models.

1. Macroeconomic concepts

- (a) Basic macro framework
 - Sectors (household, firm, government, foreign, financial)
 - Markets (goods, factors, money/bond)
- (b) Basic macro variables
 - Output (Nominal and real GDP, Gross vs. net GDP, Expenditure and income approaches to GDP, Calculation of growth rates)
 - Prices (Calculation of CPI and GDP deflator, Calculation of inflation rates, Conversion between nominal and real)
 - Labor (Measurement of unemployment, Causes of unemployment; analysis of labor market adjustment)
 - Financial (Calculation of interest rates; relationship to asset prices, Nominal and real interest rates, Money supply measures)

2. Output determination

- (a) Long-run
 - Determination of potential output
 - Factors affecting long-run growth
 - Intertemporal behavior of firms, households
- (b) Short-run
 - Adjustment with sticky prices
 - Components of aggregate demand (consumption, investment, etc.)
 - Determinants of aggregate demand

3. Money and interest rates

- (a) Functions of money
- (b) Financial markets and interest rate determination
- (c) Role and activities of the Federal Reserve

4. Price level

- (a) Factors affecting prices (inflation)
- (b) Economic effects/gains and losses from inflation

5. Open economy

- (a) Trade balance and its relationship to capital flows
- (b) Exchange rates and their effects

6. Applications. The course will include a variety of applications of concepts developed to analyze changes in policy and other shocks. These could include:

- (a) Role of fiscal policy in both short-run and long-run
- (b) Role of monetary policy in both short-run and long-run
- (c) Items of current relevance. Students should also become familiar with some of the basic data about the U.S. economy. For example:
 - Quantitative composition of GDP; growth rate of real GDP
 - Size of government sector; magnitude of federal surplus/deficit; magnitude of national debt
 - Level of unemployment
 - Rate of inflation

7. Note-taking skills in an economics class

- (a) Be able to take notes about a class lecture (or online sessions) and capture the main points discussed and presented.
- (b) Be able to take notes from the textbook and be able to capture the main points discussed.
- (c) Be able to form questions on various economic concepts that aid in your understanding.

Exams: The exams will be broken into three online quizzes administered through *Canvas*. The examinations will be either multiple choice, graphical/numerical problems, fill-in-the blank, or short essay questions, or any combination of these four. The first two exams are each worth 25% of the course grade. Since the methods of analysis for economics are cumulative, the exams are cumulative and scheduled on the following days between the hours of 5am and 5pm Eastern Standard Time (EST):

EXAM 1: Thursday, September 24

EXAM 2: Thursday, November 05

FINAL EXAM: Thursday, December 10 (Sectional) and Thursday, December 17 (Departmental)

The final consists of *two separate* exams: the *departmental* and *sectional* exams (each one worth 15% or 75 points of the course grade). The final exam is worth 30% of the course grade, and half of it will be the Departmental Exam which consists on 20 questions about all the material learned in this course. Your schedule must permit you to be free to take the *departmental final exam* on **Thursday, December 17, 2020 between the hours of 5am and 5pm EST**. There are no alternatives to taking the exam at this time and date. The exams are open notes/book, but you must complete the exam without any assistance from anyone else.

If you desire classroom/testing accommodations for a disability, contact your instructor outside of class to present the written supporting memorandum of accommodation from the Office of Disability Services for Students: <https://studentaffairs.indiana.edu/disability-services-students/>. Requests for accommodations for disability must be received and authorized by your instructor in written form no less than 1 week in advance of need, in order to allow adequate time to review and make appropriate arrangements. No accommodation should be assumed until authorized by your instructor.

Online Assignments: There will be 11 weekly homework assignments (due by 11:59pm) submitted online through MyEconLab worth 16% or 80 points of the course grade. Each assignment will be worth 8 points. The assignment with the lowest grade will be dropped. Late assignments will not be graded and receive a 0.

After-module Quizzes: There will be 12 quizzes after each module (due by 11:59pm) submitted online through Canvas worth 20 points or 4% of your course grade. Each quiz will be worth 2 points. The 2 quizzes with the lowest grades will be dropped. We will use Canvas for after-module quizzes. Late quizzes will not be graded and receive a 0.

Grading dispute: All questions/problems/disputes regarding the grading of an assignment must be addressed *within 4 days* of the return of the assignment. I reserve the right to regrade the entire assignment, in which case your grade might be lowered/unchanged/raised.

Make Up Policy for Final Exam: You must be able to take the final exam online. Only under extraordinary circumstance such as a documented medical emergency will I grant you permission for a make-up final quiz. If you miss the final quiz without proper documentation or approval from me, you will generally not be allowed to take a make-up final. Under some circumstances, I may allow you to take a make-up final for non-document reasons. However, your make-up final will be worth only 90% of the available points allocated to your final exam, if the reason is not properly documented. If I give you permission for a make-up final quiz, you will receive an incomplete for the course and a make-up final will be administered to you in the next semester (spring 2021). You must contact me and sign (via email is fine) a removal of incomplete document to receive the incomplete or you will receive a zero on your final quiz.

If you do not take the final exam, you will receive a grade of zero for your final exam grade. It is university policy, generally, not to allow make-up finals unless there are extreme circumstances (oversleeping is not an extreme circumstance)—in other words **DO NOT** miss the final.

Make Up Policy for In-term Assignments/Exams: If you miss an exam due to a valid reason which is outside of your control (see section on valid excuses below), then you will take a make up exam on a later date. You must contact me (prior to the exam if possible) via e-mail or phone if you are unable to access your email. If you receive approval for a makeup in-term quiz/exam, you are required to complete the makeup exam within two weeks of date the exam was originally scheduled. It is your responsibility to make yourself available for the makeup quiz/exam. Coordinating details will be provided to you, when you receive approval from me.

No make-ups are provided for other assignments or quizzes. For extended University Approved absences, the missed points will be considered when calculating your final grade.

Valid excuses: During the course many possible events may occur that would result in your inability to attend class, attend exams, or perform at a minimally acceptable level during an examination. Illness or injuries, family emergencies, certain university-approved curricular and extra-curricular activities, and religious holidays can be legitimate reasons to miss a class or to be excused from a scheduled examination.

In the case of your own illness or injury, the student must notify the instructor within five days of the missed course event. In cases of illness or incapacity lasting longer than five days, students must provide a note from a physician, physician's assistant or nurse-practitioner, which clearly states that the student is unable to attend the missed course event and it should specify the period of the student's inability to attend the course.

With regard to family emergencies, you must provide verifiable documentation of the emergency. Given the vast array of family emergencies the instructor will provide precise guidance as to what constitutes adequate documentation. Unless the emergency was critical you should notify the instructor in advance of your absence from the scheduled course event. In cases of critical emergencies, you must notify the instructor within one week of your absence.

For university-approved curricular and extra-curricular activities, verifiable documentation is also required. The student should obtain from the unit or department sponsoring the activity a letter (or class absence form) indicating the anticipated absence(s). The letter must be presented to the instructor at least one week prior to the first absence.

In case of religious holidays, the student should notify the instructor by the third week of the course of any potential conflicts. IU website: <https://enrollmentbulletin.indiana.edu/pages/relo.php>

Academic Integrity: Dishonesty of any kind is not tolerated in this course. Dishonesty includes, but is not limited to, cheating, plagiarizing, fabricating information or citations, facilitating acts of academic dishonesty by others, having unauthorized possession of examinations, submitting work of another person or work previously used without informing the instructor, or tampering with academic work of other students, or violating other course rules. Students who are found dishonest will receive the most severe academic sanction consistent with IU policies. A minimum penalty for any breach of academic integrity is a score of zero on the particular assignment and probably a grade of F for the course. Be sure to read the contents of the University of Indiana website: <https://studentcode.iu.edu/>.

Withdrawal: The last day to withdraw from the class and receive an automatic W is **Sunday, October 25, 2020**. This is also the last day to get a withdrawal slip signed without a special petition. After this date, you can obtain a late withdrawal from a course only by first receiving special permission from the dean of the college. Such permission is *very* difficult to get. University rules specify that permission for late withdrawals is “given only for urgent reasons relating to extended illness or equivalent distress” to a student who is “passing the course on the date of withdrawal”.

Grading Scale: The final grade for the course is based on the percentage of the number of adjusted total points earned. The final consists of *two separate* exams: the *departmental* and *sectional* exams (each one worth 15% or 75 points of the course grade). Your course grade will depend on your performance in each of the following areas:

	Possible Points	% of Total
Homework	80	16
Quizzes	20	4
Exam 1	125	25
Exam 2	125	25
Final	150	30
Total	500	100%

Grade	Points	Percentage
A+	500-485	100-97%
A	484-458	<97-91.5
A-	457-445	<91.5-89
B+	444-428	<89-85.5
B	427-408	<85.5-81.5
B-	407-385	<81.5-77
C+	384-368	<77-73.5
C	367-338	<73.5-67.5
C-	337-333	<67.5-66.5
D+	332-318	<66.5-63.5
D	317-298	<63.5-59.5
D-	297-275	<59.5-55
F	274-0	<55-0

TENTATIVE SCHEDULE

Week	Date	Module	Chapter	Homework
Week 1	25-Aug	Syllabus / Introduction	8	Student Questionnaire
	27-Aug	GDP	8	
Week 2	01-Sept	GDP	8	Q1
	03-Sept	Unemployment	9	HW1
Week 3	08-Sept	Unemployment / Inflation	9	Q2
	10-Sept	Inflation	9	HW2 / Q3
Week 4	15-Sept	Business Cycle and Macroeconomic Variables	10	Q4
	17-Sept	Economic Growth	10, 11	
Week 5	22-Sept	Economic Growth	11	HW3 / Q5
	24-Sept	EXAM 1		
Week 6	29-Sept	Loanable Funds Model	10	HW4 / Q6
	01-Oct	Loanable Funds Model	10	
Week 7	06-Oct	Aggregate Expenditure	12	HW5 / Q7
	08-Oct	Aggregate Expenditure, Multiplier	12	
Week 8	13-Oct	Aggregate Demand and Aggregate Supply	13	HW6
	15-Oct	AD-AS Analysis	13	
Week 9	20-Oct	AD-AS Analysis	13	Q8
	22-Oct	Dynamic AD-AS Model	13	HW7
Week 10	27-Oct	Fiscal Policy	16	HW8 / Q9
	29-Oct	Fiscal Policy	16	
Week 11	03-Nov	Money	14	
	05-Nov	EXAM 2		
Week 12	10-Nov	Money	14	HW9 / Q10
	12-Nov	Money	14	
Week 13	17-Nov	Monetary Policy	15	HW10 / Q11
	19-Nov	Monetary Policy	15	
Week 14	24-Nov	Thanksgiving break		
	26-Nov	Thanksgiving break		
Week 15	01-Dec	International Economics	18	HW11 / Q12
	03-Dec	International Economics	18	
Week 16	08-Dec	Practice / Review		
	10-Dec	SECTIONAL FINAL EXAM		
Week 17	17-Dec	DEPARTMENTAL FINAL EXAM		