ECONOMICS 104 – INTRODUCTORY MACROECONOMIC ANALYSIS AND POLICY

Fall 2014

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office hours: Monday, Wednesday, and Friday 8:45-9:00, Wednesday 5:15-6:00, and by appointment

COURSE OVERVIEW:

Economics 104 is the macroeconomics half of a two-semester introductory course on the principles of economics. Econ 102 addresses microeconomics. I will assume that this is your first course in economics. This is an introductory course in the principles of macroeconomics. It seeks to introduce you to the ways in which economists view the world and to teach you to utilize these ways of thinking when you approach economic problems and questions. Macroeconomics is concerned with the operation of the entire national economy. The course begins by introducing students to the subject of economics and to the basic operation of markets and the economy. We then develop a simple macroeconomic model which we use to analyze short run economic fluctuations. Long run economic questions such as growth, unemployment, and inflation are examined. Throughout, emphasis is placed on developing students’ analytical skills.

COURSE LEARNING OBJECTIVES:

- Gain factual knowledge and learn basic macroeconomic principles
- Address important questions posed by economics and become familiar with the methods economists use to answer these questions
- Learn how to apply economic theory in order to understand past, current, and future macroeconomic issues
- Develop economic intuition and analytical skills
- To learn how economists use theory, graphs, and evidence in their work
- Acquire an understanding of the market mechanism as a means of allocating scarce resources
- Explain why some nations are rich and others are poor
- Understand why unemployment occurs in a market economy
- Acquire knowledge about financial institutions in the U.S. economy
- Develop an understanding of how monetary and fiscal policy affect the economy
- Understand the economic impacts of federal budget surpluses and deficits and the federal debt
RECOMMENDED TEXTBOOK:


EVALUATION/GRADING:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>First Midterm Exam</td>
<td>22.5%</td>
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<tr>
<td>Second Midterm Exam</td>
<td>22.5%</td>
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<tr>
<td>Quizzes</td>
<td>25%</td>
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<tr>
<td>Final Exam</td>
<td>30%</td>
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100%

Grading Ranges:

- **A** = 90.00 - 100%
- **A-** = 87.50 – 89.99%
- **B+** = 85.00 – 87.49%
- **B** = 80.00 – 84.99%
- **B-** = 77.50 – 79.99%
- **C+** = 75.00 – 77.49%
- **C** = 70.00 – 74.99%
- **D** = 60.00 – 69.99%
- **F** = below 60.00%

PROVISIONS FOR POSSIBLE SYLLABUS ADDENDA OR REVISIONS:

There may be changes in the assignments and the dates. Students are responsible for learning of any changes in the syllabus that are announced in class. Any changes to the course policies will be distributed in writing.

COURSE POLICIES:

Students are expected to take full responsibility for their academic work and academic progress. Students are expected to attend class regularly, for consistent attendance offers the most effective opportunity open to all students to gain developing command of the concepts and materials of the course. A study (Romer, *JEF*, Summer 1993) found that the difference in performance for a student who attends regularly and one who attends sporadically is about a full letter grade. However, attendance in class, in and of itself, is not a criterion for evaluation of the student's degree of success or failure. Furthermore, absences do not alter what is expected of the student qualitatively and quantitatively. Absences will not be used in the computation of grades.

Late assignments will not be accepted. Make-up quizzes and exams will be given only when the
absence of the student results from one of the following causes: illness (where the student is too ill to attend class), religious observance (where the nature of the observance prevents the student from being present during the class period), participation in university activities at the request of university authorities, and compelling circumstances beyond the student's control. Students requesting a make-up exam must furnish documentary support for their assertion that absence resulted from one of these causes.

Students who focus on the business of the class increase their likelihood of success. They can do so by listening attentively to the instructor or to other students while participating in discussions. They can take notes that will help them to review the material. During class, they can participate as fully as possible and volunteer to answer questions. Failing to focus decreases the likelihood of success. During this class, it is inappropriate to study for other classes or to read letters or magazines or newspapers. Eating or drinking in class is also distracting.

Students should minimize all behaviors that distract others during the class. Talking to other students apart from class discussions is inappropriate. Students who carry a cell phone or beeper should mute it during class time. Students who arrive late should seat themselves as quietly and as near to the door as they can. Students who must leave before the class period ends should exit quietly.

Deferred grades are not normally offered. The course material is designed to be completed within the semester time frame.

According to the University Faculty Senate Policy 49-20, “Academic integrity is the pursuit of scholarly activity in an open, honest and responsible manner. Academic integrity is a basic guiding principle for all academic activity at The Pennsylvania State University, and all members of the University community are expected to act in accordance with this principle. Academic integrity includes a commitment not to engage in or tolerate acts of falsification, misrepresentation or deception. Such acts of dishonesty violate the fundamental ethical principles of the University community and compromise the worth of work completed by others.” Academic dishonesty will result in an F for the course and the implementation of the Faculty Senate’s Academic Policy Integrity Procedure.

Class participation is highly encouraged. Participation implies more than mere presence in the classroom. It is an active, meaningful, thoughtful, and relevant contribution to discussion and other activities. Students are expected to contribute significantly to discussion voluntarily or when called upon.

Penn State is committed to providing access to a quality education for all students, including those with documented disabilities. If a student has a disability and wishes an accommodation for a course, it is the student's responsibility to obtain a University letter confirming the disability and suggesting appropriate accommodation. This letter can be requested from the York campus Disability Contact Liaison, Dr. Cora Dzubak located at the Nittany Success Center.

In the event of a campus closure, course requirements, classes, deadlines and grading schemes are subject to changes that may include alternative delivery methods, alternative methods of interaction with the instructor, class materials, and/or classmates, a revised attendance policy, and a revised semester calendar and/or grading scheme. Information about course changes will be communicated through email and in writing.

For notification about campus closures, please refer to Penn State York’s website at [http://www.yk.psu.edu](http://www.yk.psu.edu), call the weather hotline at 717 771-4079, or sign up for live text messages at [PSUTXT](http://live.psu.edu/psutxt). This is a service designed to alert the Penn State community via text messages to cell phones when situations arise on campus that affect the ability of the campus -
students, faculty and staff - to function normally.

Academic support services for this course are available at the Nittany Success Center including study groups, 1:1 tutoring, study skills instruction, and computer support.

Course materials including lecture notes and announcements are posted on my website at http://www.yk.psu.edu/~dxl31/econ4/econ4home.html.

COURSE REQUIREMENTS:

Two midterm exams and a final examination will be administered during the semester. The final exam is cumulative while the midterm exams include only the material covered since the previous exam. The dates of these exams are listed below. Each class, except the first and those after the midterm exams for a total of 10 quizzes, will begin with a quiz on the material covered during the previous week’s class. A student’s five highest quiz scores will be used in the computation of the quiz component of his or her course grade. Exams and quizzes may consist of any or all of the following types of questions: multiple choice, true/false, essay, short answer, fill in the blanks, matching, mathematical problems, and graphing.

The concept of doing extra work for extra credit does not exist within this course. The final grade is based on stated assignments and requirements. Please recognize that your tuition dollars earn you the right to participate in this course. It is your demonstrated attainment of course concepts and content that earn you a final grade.

The use of (a) smartphones, (b) cellphones, (c) all devices with internet access and/or (d) other devices such as feature and dumb phones, are not allowed during the exams, quizzes, and other in-class assignments.

Finally, please feel free to come see me to ask questions or to discuss difficult material. The course material is all cumulative. If you do not understand what happens in the first week, you will not understand what happens in the last week. If my office hours are not convenient, you may set up an appointment for an alternative time.
<table>
<thead>
<tr>
<th>Date</th>
<th>Session Description</th>
<th>Chapter(s)</th>
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<tbody>
<tr>
<td>August 27</td>
<td>Introduction to Economics</td>
<td>Ch. 1</td>
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<tr>
<td>September 3</td>
<td>More Introduction to Economics</td>
<td>Ch. 2</td>
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<td>September 10</td>
<td>Supply and Demand</td>
<td>Ch. 3</td>
</tr>
<tr>
<td>September 17</td>
<td>The Private and Public Sectors</td>
<td>Ch. 4</td>
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<tr>
<td>September 24</td>
<td>National Income Accounting</td>
<td>Ch. 5</td>
</tr>
<tr>
<td>October 1</td>
<td>First Hourly Examination</td>
<td>Ch. 1-5</td>
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<tr>
<td>October 8</td>
<td>Business Cycles</td>
<td>Ch. 6 and 7</td>
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<tr>
<td>October 15</td>
<td>Aggregate Demand and Aggregate Supply</td>
<td>Ch. 8</td>
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<tr>
<td>October 22</td>
<td>Macroeconomic Equilibrium</td>
<td>Ch. 9 and 10</td>
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<tr>
<td>October 29</td>
<td>Fiscal Policy</td>
<td>Ch. 11</td>
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<tr>
<td>November 5</td>
<td>Third Hourly Examination</td>
<td>Ch. 6-11</td>
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<tr>
<td>November 12</td>
<td>Money and Banking</td>
<td>Ch. 12</td>
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<td>November 19</td>
<td>Monetary Policy</td>
<td>Ch. 13</td>
</tr>
<tr>
<td>December 3</td>
<td>Macroeconomic Policy</td>
<td>Ch. 14 and 15</td>
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<tr>
<td>December 10</td>
<td>Productivity and Growth</td>
<td>Ch. 16 and 17</td>
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<tr>
<td>December 17</td>
<td>Final Examination</td>
<td>Ch. 1-17</td>
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