

ECONOMICS 134

**PRINCIPLES OF MACROECONOMICS**

<i>Professor:</i>	Jason Long
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<i>Office:</i>	Diamond 347
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<i>Lecture time and location (Sec C):</i>	Tue, Thu 1:00 – 2:15 pm, Diamond 141
<i>(Sec C):</i>	Tue, Thu 2:30 – 3:45 pm, Diamond 141
<i>Discussion section (Sec C and D):</i>	Tue 7:00 – 7:50 pm, Lovejoy 100
<i>Office hours:</i>	Tue, Thu 4:00 – 5:30 pm
<i>TAs:</i>	Anna Simeonova (aesimeon@colby.edu) Kathleen Davis (kadavis@colby.edu)
<i>TA office hours:</i>	Wed 7:00 – 10:00 pm, room TBD
<i>Course Web page:</i>	www.colby.edu/economics/faculty/jmlong/ec134

Macroeconomics deals with economic and political issues that are discussed all the time in the media and the business community...especially in these days of great economic uncertainty. The issues are complicated, but understanding their fundamental nature is not. Over the next 14 weeks, we'll develop a basic understanding of growth and stagnation, booms and recessions, unemployment and inflation, the deficit and interest rates. By the end of the course, you should be able to read the paper, listen to the talking heads, and discuss "The Economy" with a new level of insight and understanding.

*Course Requirements:* This class meets three times each week: two lectures on Tuesday and Thursday, and one discussion section on Tuesday evening. You should be aware of the college's policies on attendance and religious holidays. Check them out at [http://www.colby.edu/academics\\_cs/catalogue/2009\\_2010/academic\\_program/religious\\_holiday.cfm](http://www.colby.edu/academics_cs/catalogue/2009_2010/academic_program/religious_holiday.cfm). This course will follow these policies. There will be two exams during the semester and a cumulative final during finals week. There will also be graded problem sets throughout the semester. There will be no class on Thursday, March 11 and Thursday, April 22.

*Text:* *Principles of Macroeconomics*, 5<sup>th</sup> ed. N. Gregory Mankiw. Thomson South-Western.  
*Study Guide to Principles of Macroeconomics*, 5<sup>th</sup> ed. David R. Hakes (optional, ISBN 0324591225)

*Evaluation:* Your grade for the course will be based on your grades on the three exams and the problem sets. The first exam will be on **Thursday, March 4**, the second on **Thursday, April, 15**. You must be present in class on these days to take the exams in order to take this course. The second exam will *not* be cumulative. The final will take place on **Saturday, May 15 from 3:30–5:30 pm** in a location to be determined later; it *will* be cumulative, covering all the material from the semester. You will be asked to complete regular, graded problem sets, which will be distributed throughout the semester. The three exams will include multiple-choice questions along with graphing and short answer questions. The problem sets will focus on graphing and short answer exercises. Your overall grade will be determined by your exam and problem set scores according to the following breakdown:

Problem Sets	15%	Exam 2	25%
Exam 1	25%	Final	35%

Requests for grade alterations on the exams must be made in writing and submitted to me. I may adjust your grade up, down, or not at all. The *only* factor in your overall grade other than these scores will be class participation. I won't base an explicit part of the grading on participation, because it's a difficult thing to measure. But there will always be borderline grade cases, and class participation will be the principal factor in whether such grades land on the happy or the sad side of the fence.

*Academic Honesty:* Colby's policy on academic honesty can be found in the college catalogue, available online at [http://www.colby.edu/academics\\_cs/catalogue/2009\\_2010/academic\\_program/acad-honesty.cfm](http://www.colby.edu/academics_cs/catalogue/2009_2010/academic_program/acad-honesty.cfm). The college policy will be followed in this course. If you cheat on any of the exams or quizzes, you will fail the course, and the incident will be reported to the chair of the economics department and to the dean of students. Please do work together in preparing for the exams if you'd like. Please don't work together during the exams.

*CLASS SCHEDULE*

<u>Date</u>	<u>Topic</u>	<u>Chapters</u>
Week 1: Feb 4	Introduction	
Week 2: Feb 9, 11	Measuring a Nation's Income and Production	10
Week 3: Feb 16, 18	Measuring the Cost of Living	11
Week 4: Feb 23, 25	Production, Growth, and Living Standards	12
Week 5: March 2, 4	Savings, Investment, and Finance; <b>EXAM 1</b>	13, 14
Week 6: Mar 9	Unemployment; <i>NO CLASS March 11</i>	15
Week 7: Mar 16, 18	The Monetary System; Money and Inflation	16, 17
Week 8: Mar 23, 25	NO CLASS: SPRING BREAK	
Week 9: Mar 30, Apr 1	International Trade, Open Economy Macroeconomics I	3, 9, 18
Week 10: Apr 6, 8	Open Economy Macroeconomics II	18, 19
Week 11: Apr 13, 15	Aggregate Supply and Demand I; <b>EXAM 2</b>	20
Week 12: Apr 20	Aggregate Supply and Demand II; <i>NO CLASS April 22</i>	20
Week 13: Apr 27, 29	Monetary and Fiscal Policy	21
Week 14: May 4, 6	Inflation and Unemployment	22
<b>Final: Saturday, May 15, 3:30-5:30 pm</b>		

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**Note:** This schedule is tentative; I may make changes as the semester progresses.