

Economics 576.01W--02W
Macroeconomic Theory and Policy
Summer I, 2016
Syllabus--Preliminary

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ABOUT THE COURSE - GENERAL FOCUS: Macroeconomics deals with the **aggregate** level of economic activity. Macroeconomic Theory and Policy focuses on several central questions:

- 1) What can we (reasonably) expect of the macroeconomy? *[establishing priorities]*
- 2) How do we evaluate performance on the macro level? *[measuring and assessing]*
- 3) What makes the economy tick (or fail to tick)? *[income determination theory]*
- 4) What happens when the macroeconomy fails to perform up to par? *[business cycle theory]*
- 5) Can we/how can we make the economy tick more smoothly? *[macro policy]*

REQUIRED TEXT: There is not a required text. Required materials will be posted in DocSharing at the eCollege course website or else a link will be provided. For background and review purposes, **if needed**, I recommend a basic Macro principles text such as McConnell, McConnell-Brue, or McConnell-Brue-Flynn. (It's a McGraw-Hill text. There are now about 20 editions of the text and the particular edition you consult is not important.) For those who like to have an intermediate level macro text for reference purposes I recommend Macroeconomics: Policy and Practice by Frederic Mishkin (Prentice Hall, ISBN-13:9870321436337).

Nature of the Course/Material

Keep in mind that Economics 576 is a graduate level course in aggregate economics. A course in Macroeconomic Principles is a prerequisite for Economics 576. Please note that the concept of "prerequisite" is not about a check mark—it has to do with one's background regarding preparedness to handle the material. Consequently you should have a general familiarity with and understanding of, the basic terminology and tools of macroeconomic analysis before you start this course. Inasmuch as summer sessions are short and go fast, it is important that you not start the course already behind. In case you have not taken any economics in several years, or if your course in macroeconomics was an institutional/non-analytical course, you may wish to check a principles text and/or course outline to update yourself on what is included in a macro principles course. Additionally, since macroeconomics is about relationships between different variables and responses to autonomous changes, shocks and/or policy changes in the economy, we will spend some time on multipliers. Multipliers are about numbers. Consequently, we will use some very elementary algebra to analyze the concept. This will not be more advanced than a high school, first level course in algebra. And while you will not be required to solve algebra problems, you will need to be able to follow and understand material that is low-level algebra based. If you are uncomfortable with the idea that the course will involve some elementary algebra, you may want to review a bit before the course begins.

What to Expect From a Summer Online Class

There are two factors that you should consider carefully before you start this course. First, you should keep in mind that summer sessions are compressed and go very fast. That means that it is critical that you read materials and do assignments when assigned. A person who hopes to do well in a summer class can ill afford to fall behind. **Mark assignments and exam dates on your calendar as soon as they are announced. “Forgetting,” being “out of town” and/or “confused” about the time that an assignment is due or that a test must be taken is not an acceptable excuse for missing it.** Second, online classes are different from face-to-face classes. In an online course, the student accepts a higher degree of responsibility for learning outcomes. The instructor’s role is more that of facilitator and overseer—as opposed to straight lecturer/presenter. Both these factors mean that the student who takes such a class must be more disciplined than is normally the case with a long semester face-to-face class. Considering that a normal face-to-face, three semester hour course involves approximately 45 **contact** (in class) hours, that translates to nine hours per week for a five week summer session—and that is without allowing any time for writing papers, reading assignments, studying for exams, etc. If you do not have sufficient time to devote to the class each week, and/or if you are not comfortable with this type of setting, you probably should rethink taking this class in a summer, online format. **Keep in mind that Economics 576 is a graduate level economics course, and the performance requirements will be commensurate with same.**

Webinars: A Class Live Pro Webinar is scheduled for each Tuesday and Wednesday from 6:30 pm to 8:30 pm, CDT. It is strongly recommended that you participate in these sessions. However, in case you are unable to participate at the scheduled time, the Webinars are recorded and you can watch/listen at any time after it is completed. **In case you do miss a webinar, it is important that you access the recorded session as soon afterward as possible—sooner is preferable to later.** The purpose of the Webinars will be to provide perspective relative to the material, to focus on and emphasize major topics and concepts, and to answer questions on the material.

Office Hours: UPON REQUEST (which may be by email or phone—but must be at least 12 hours in advance), I will hold electronic office hours on Thursdays between 7:00 pm and 8:00 pm CDT through your e-College site using Class Live Pro. These sessions will provide the opportunity to ask questions about material—either already covered or upcoming. It is recommended that you consult your syllabus and the Course Pages in eCollege to see if your administrative/procedural questions or concerns are addressed there. You may e-mail me with questions concerning materials (not addressed in Webinars and/or office hours), and I will respond as promptly as practical. Please allow me up to 24 hours (during the week—not counting weekends) to reply. If you have not received a response within that time frame, please re-send the e-mail **and call my office at 903-886-5675** (leaving a voice mail if not answered).

Assignments—Assignments will be announced/assigned in the “Course Home” section at the course eCollege site. **Check that column each week for reading/study assignments** as well as any assignments required to be submitted. Additionally, that is where you will find items such as suggestions for study, recommended special interest readings, and reminders of upcoming deadlines. Inasmuch as most assigned readings will relate to materials included in Doc Sharing, you will find that checking the “Course Home” column each week will be the easiest and best way of making sure that you are keeping up and that you don’t miss an assignment or deadline.

COURSE GRADE:

Components-- There will be either three or four components (your choice) to your course grade—depending on whether you opt to write a term paper. If you submit a term paper, there are four components, otherwise three. See below for term paper requirements and treatment in course grade.

First, there will be **two exams**. Each exam will be worth 100 points, and the two exams will carry equal weight toward determination of your final course grade. Exam I, which will cover material assigned for the first half of the term, will be available for the 60 hour period of noon, June 23 through midnight, June 25. Exam II, which will be comprehensive, will be the 48 hour period July 6 through July 7. The two exams will carry equal weight toward determination of your final course grade. **Mark these exam dates on your calendar now.**

Second, there will be two required **projects** in the course. Each project will be worth 50 points and your percentage score on these projects will carry the same weight as one exam relative to determining your semester grade. These will involve individually researched and written papers or problems regarding different topics/aspects of the course. You will have approximately one week's notice before each of these papers is due.

Third, there will be the opportunity (**and option**) of **writing a term paper** in the course. Generally, term papers must relate to macroeconomic theory and policy (You may wish to consult list of possible topics), should be approximately 10-15 pages in length, and should be well organized, written, edited, and documented. **Term papers are due by midnight, Friday, July 1, 2016—NO EXCEPTIONS.** For specifics, including topic suggestions and requirements/expectations, see About Term Papers

Finally, there may be a **bonus** problem or short paper during the term. If and when this is offered, it will be relatively quick turn-around assignment—due within a week or less. This is one more reason that it is important to access the recorded webinar as soon after the session as possible, in case you miss one. Points earned on bonus assignments will be added to exam scores.

To make an "A" in the course, you must average at least 90% on the exams and on the projects, and turn in an acceptable term paper on an approved topic.

To make a "B" in the course, **either** (1) you must average at least 75% on the exams and the projects (and you need not write a term paper), **or** (2) you may submit a term paper, which will carry equal weight with the exams and the projects. Under this second option, the four grades (the two tests, the project percentage grade, and the term paper) must average at least 75%.

To make a "C" in the course, **either** (1) you must average at least 60% on the exams and the projects (and you need not write a term paper), **or** (2) you may write a term paper. Under alternative (2) the exam scores, the projects percentage, and the term paper must average at least 60%.

My "Negative" Note: I do not like to hear graduate students whine. (It makes me crazy.) I prefer to see my students perform. "Need" is not a factor in determining course grades, so please do not e-mail me telling me how much you need to make a certain grade. I also do not care what grade you made in all your other courses, nor do I care if you are allowed to work in "teams" in all your other classes and/or if you are awarded "participation" points in other courses. Grades are to be earned, not gifted. Please read and heed the material below under the heading "Hints for Making a Good Grade in this Course."

Tentative Outline/Schedule – Assignments and Materials

Week 1 (June 6 – June 11)	Introducing Macroeconomics Primary Reading: Thinking Macro (Doc Sharing) Why Macro? (Doc Sharing) Rational Policy Making (Doc Sharing) Other readings as assigned (Course Home) Webinars: June 7, June 8 -- 6:30 p.m.
Week 2 (June 13 – June 18)	Macroeconomics- Measuring and Assessing Macro Performance Macro models introduced Aggregate Demand – Aggregate Supply Macro Macro 1 (DocSharing) Webinars –June 14, June 15-- 6:30 p.m.
Week 3 (June 20 – June 25)	Simple Keynesian Model Macro Macro 2 (DocSharing) Webinars – June 21, June 22. 6:30 p.m. Exam/Opportunity I – June 23 – June 25 (Thurs noon – Sat midnight: 60 hours)
Week 4 (June 27 – July 2)	Expanding the Macro Model Equilibrium Income and Multipliers Money, the Fed and Monetary Policy Webinars – June 28, June 29. 6:30 p.m.
Week 5 (July 5 – July 7)	Full macro model applied; expanding and tweaking the basic model; critique/limitations of model; alternative views of the macroeconomy Webinar: July 5, 6:30 p.m. Exam/Opportunity II – July 6 – 7 (Wed 12:01 am – Thurs midnight: 48 hours)

HINTS FOR MAKING A GOOD GRADE IN THIS COURSE

1. Note the prerequisite requirements. If you do not have the background for the course you are unlikely to do well. If you are a “I don’t do well in economics” student, and don’t have an adequate background in macro, you should be prepared to put in lots of time getting up to speed—and then mastering the required material.
2. Check the eCollege “Course Home” weekly assignments schedule regularly to make sure that you are staying abreast of assigned readings and required work.
3. Attend class regularly—come prepared, ask questions if you do not understand the material and/or assignments, stay alert and take good notes. It helps neither of us for you to do poorly on an exam and then tell me that you didn’t understand the material.

4. When you don't understand material, ASK QUESTIONS—either by email, phone, or even make an appointment to come by my office. As soon as you realize that you are having problems in the course, contact me then.
5. Take advantage of any and all bonus opportunities.
6. Read and study materials when assigned. Falling behind in this class can be fatal (grade-wise, of course). Additionally, class lessons/lectures make more sense if you come to class prepared.
7. Turn in all projects and take exams on time—and in proper form.
8. All assignments--tests and projects--are individual (not group) assignments. Make sure that the materials you submit reflect your (exclusive) work.
9. **Never** send me an e-mail beginning with "I know you don't like to hear graduate students whine, but....."

Suggestions for submitting written assignments:

1. Save a backup copy when you submit. It may contain material or concepts that you will wish to review for the upcoming exam.
2. Put the assignment in your own words—DO NOT SEND ME ANY CUT AND PASTE ATTACHMENTS. I do not care to read National Bureau of Economic Research generated material about the NBER (relative, for example, to an assignment regarding business cycles). Tell me what **you** have to offer—but stick to facts and analysis, not unsupported opinion.
3. Put the assignment in your own words—DO NOT SEND ME A PAPER THAT IS IDENTICAL TO THAT SUBMITTED BY YOUR FELLOW CLASSMATE. The assignments are not group projects.
4. Treat each submission as a university, graduate level assignment—not a text message to a pal. Keep in mind that in a formal setting:
 - a) grammar and spelling matter (and may be held against you);
 - b) 2 and 4 are Arabic numerals, not prepositions;
 - c) U and R are letters of the alphabet, not pronouns and contractions;
 - d) "there" and "their" are not interchangeable words;

In general, ask yourself if your submission is of a quality and maturity that you would submit to an employer—assuming that you would like to keep your job and advance with the company.

Broad Course Objectives and Expectations

Criteria (Course Objectives)	1 (Unsatisfactory)	2 (Marginal-Acceptable)	3 (Good--Acceptable)	4 (Exemplary)
Relative to macroeconomic performance -- Demonstrate a familiarity with U.S. national economic performance objectives, be able to access and employ relevant data pertaining to economic performance, and understand the costs associated with the failure	Student exhibits little or no understanding of the issues being examined	Student makes significant errors with regard to the significant issues of the question or problem being examined, but at least demonstrates knowledge of some of the major points of the issues	Student demonstrates understanding of the major points of the issues being examined but fails to demonstrate understanding of all the details of the issue	Student demonstrates a thorough knowledge of the issue being examined

to achieve stated goals.				
<p>Relative to discretionary stabilization policy--</p> <p>Demonstrate an understanding of the nature and function of monetary and fiscal policy tools available for the pursuit of macroeconomic objectives as well as limitations of same.</p>	Student exhibits little or no understanding of the issues being examined	Student makes significant errors with regard to the significant issues of the question or problem being examined, but at least demonstrates knowledge of some of the major points of the issues	Student demonstrates understanding of the major points of the issues being examined but fails to demonstrate understanding of all the details of the issue	Student demonstrates a thorough knowledge of the issue being examined
<p>Relative to macroeconomic theory—Demonstrate an understanding of the role of macroeconomic theory and data in the policy formulation and implementation process</p>	Student exhibits little or no understanding of the issues being examined	Student makes significant errors with regard to the significant issues of the question or problem being examined, but at least demonstrates knowledge of some of the major points of the issues	Student demonstrates understanding of the major points of the issues being examined but does not demonstrate understanding of all the details of the issue	Student demonstrates a thorough knowledge of the issue being examined