

**Georgia Institute of Technology
Ivan Allen College
School of Economics
Syllabus, Econ 2105-MO & MO1 (CRN# 81331 & 88094): Principles of Macroeconomics**

Semester: Fall 2015

Meeting Time, Place: TTR, 9:35am – 10:55am,
Instructional Center 103

Instructor: Professor Brian Allen Hunt

Office: Old Civil Engineering Building, Room
307

Office Hours: TTR, 8:00am-9:00am, Fridays by
appointment only made 1-week in advance

Email Address: brian.hunt@econ.gatech.edu

Prerequisite: Good working knowledge of
algebra

Text/Materials: The required book for my **ECON 2105** course, *Macroeconomics Deconstructed: Finding What Truly Shapes the Economy (Revised Preliminary Edition)*, is published and distributed by Cognella, Inc. The book is now available for purchase in both print and digital formats through their student e-commerce store (<https://students.universityreaders.com/store/>). A hard copy of the textbook is also available for purchase from the Engineering Bookstore and Barnes in Noble in Tech Square.

I have carefully chosen this book to provide you with the best learning experience. Please purchase it ASAP to stay on top of your readings. Doing so will help you be successful in this class. Print and digital prices below are for purchasing online through Cognella's student e-commerce store only. Purchase prices from the campus bookstores here at Georgia Tech will differ.

Cognella's Student e-Commerce Store Prices:

Print Price: \$44.95

Digital Price: \$40.95

The book includes readings that we will use in class daily, so you should purchase your own copy. Also, please keep in mind that our institution adheres to copyright law, so any copyrighted material should not be copied or duplicated in any manner.

I strongly encourage you to buy this textbook directly from the publisher. This will ensure you receive the following benefits:

- Best price available. The publisher offers a 20% discount off of the book's list price and there are no third-party price markups applied.
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Step 4: After purchasing, you can access your full or partial e-book by logging into your account and clicking My Digital Materials to get started on your readings right away.

Orders are typically processed within 24 hours and the shipping time will depend on the selected shipping method and day it is shipped (orders are not shipped on Sundays or holidays). If you experience any difficulties, please email orders@cognella.com or call 800.200.3908 ext. 503.

Tsquare: All course materials—lecture notes, study guides, articles for class discussion, inclass activities, course announcement, etc. will be made available weekly on Tsquare. I will keep the class informed of upcoming work, events, and class information via emailed announcements and posted announcements on Tsquare.

Learning Objectives for ECON 2105:

- the concepts and measurement of gross domestic product, unemployment, and inflation.
- the difference between business cycles and economic growth and the factors that contribute to each.
- the concept of Macroeconomic Equilibrium.
- how Aggregate Demand and Aggregate Supply determine equilibrium price and output in the short-run and long-run.
- the multiplier concept, how it is computed, and its qualifications and limitations.
- the concepts, tools, and implementation of fiscal policy, its limitations and relative advantages and disadvantages, and how it affects aggregate economic activity.
- the concepts, tools, and implementation of monetary policy, its limitations and relative advantages and disadvantages, and how it affects aggregate economic activity.
- the essential differences that separate and distinguish the Classical and Keynesian Schools in macroeconomics.
- the arguments pro and con for a policy of laissez-faire versus government activism in the management of macroeconomic policies.
- the concepts of Comparative Advantage, balance of payments and its components, and the determinants of exchange rates.

As a student in my class, I expect you to:

- attend and be prepared for each class session (reading *before* class any chapters, articles, and assignments that are listed, and be prepared to discuss and comment on them during the class session).
- read all of the material since current articles will be an important part of the class (I will tell you what to emphasize). **Any articles to be used will be posted on Tsquare for the assigned week. Your participation in class discussion is encouraged. As well information covered in articles will be covered in quiz questions.**
- be able to work with and understand graphs and basic algebra;
- have access to a computer and the Web, and be familiar with downloading from the Web and email (it's your responsibility to be able to download from any computer you work with - home or work);
- turn off ALL sounds for cell phones, pagers, computers, etc.

- check your email on a regular basis; I won't respond to any email requesting materials that are on Tsquare or that you can get from a class member; **If you miss a class contact a class member (not the instructor) to find out what was covered.**
- interact with your fellow group members and classmates in a courteous and responsible manner to complete any assigned tasks;
- demonstrate the interest and motivation appropriate for Georgia Tech students.

In turn, you should expect that I will:

- do my best to make the class sessions relevant and worthwhile;
- conduct an orderly, professional class in a comfortable environment;
- try to answer all questions with accurate or honest responses;
- show an interest in you as individual students;
- help you learn economic concepts that are appropriate for people in business (not necessarily economists);
- work with you individually, in groups, and as a class to help you with the economic concepts.
- I expect both attendance and participation from my students; in class, when I ask you a question or for a comment, I expect a response that shows you are aware of the issues (basically, that you've been paying attention); whether it's right or wrong is not as important as whether you are contributing. I see the class as a collaborative learning experience for us all.

Grading/Make-up Policy: The following scale will be used to assign grades:

Course Grade	Required (%)
A	≥ 87
B	77-86
C	67-76
D	58-66
F	57 and lower

*****This grading scale will be enforced throughout the term. Any extra credit opportunities provided to the class during the course of the semester is at my discretion. No extra credit will be given to students on an individual basis. In the end, the grade you earn is the one you get. This means if your final grade in the course is an 86 (after rounding) an 86 is what you get. It is the student's responsibility (not mine) that GPA requirements for HOPE and other scholarships are maintained. No grade "bumps" will be given to meet student circumstances*****

This is how your grade is calculated: *Exam dates subject to change to meet course needs.*

<i>Exams</i>	<i>Percentage</i>
Macroeconomics Exam 1 (Tuesday, 9/22/2015)	20
Macroeconomics Exam 2 (Tuesday, 10/27/2015)	20
Macroeconomics Exam 3 (Tuesday, 11/17/2015)	20

*Macroeconomics Final Exam (December 10 th , 8:00am – 10:50am), no make-ups and no early final exams will be given	30
Best 4/5 in-class quizzes	10
Total	100%

****Macroeconomics Exams and Quizzes and make-up policy***

All exams and quizzes will consist of multiple-choice questions. For quizzes, practice multiple-choice questions and problems will be posted weekly on Tsquare as chapters are covered. Students will be allowed the use of a calculator (cell phones prohibited). **All quizzes are closed note and closed book. Students will be allowed the use of a calculator (cell phone prohibited).** Dates for quizzes are listed in the course schedule in this syllabus.

For exams #1-#3, study guides with multiple-choice questions and problems will be posted on Tsquare within 1-week of the examination date. **During examinations only, students will be allowed the use of a calculator (cell phones prohibited) and 4-pages of notes (2-sheets of paper front and back only). Student(s) making use of notes in excess of the allowed page limit will have their exam(s) confiscated and a grade of zero awarded for the assessment.**

NO makeup quizzes will be administered as the student's course grade is based on the best 4/5 quizzes. NO makeup tests will be administered. The exceptions are: (1) Sick-the accompanying doctor's note must say that you could not/ cannot take the test; and (2) GT approved official activity-must provide the relevant official GT documentation. (3) Jury duty or required military service (official court and/or government documentation must be provided. (4) family death (copy of death certificate and/or published obituary). No exception to these rules for make-ups. Make-up exams must be made-up within one week of the exam date and will only be given during my office during my Tuesday/Thursday office hours and/or Friday's by appointment only between 12pm and 2pm.

*****Macroeconomics Final Exam (optional)***

The final exam on December 10th is optional and will be cumulative/comprehensive of material covered in the course.

Pre-final exam course grade(s) will be posted in the students gradebook feature on Tsquare by the end of "Dead Week". Student(s) who are happy with their current course grade going into the final, may opt out of the final without penalty and receive their pre-final exam course grade as their official grade in the course. If a student(s) choose to opt out of the final exam, non-attendance for the final exam states the student(s) understanding of the above and the student(s) acceptance of the above information, and the student(s) acceptance of the student(s) posted pre-final exam course grade as the student(s) overall/final course grade for the course. Attendance will be taken on the day of the final.

If a student takes the optional final exam and the final exam makes the student's course overall course grade worse off, then the student's grade for the course will be their posted pre-final exam

course grade going into the final exam. For example...The student's pre-final exam course grade going into the final is an 85% [based on 70% of the course assessments: macroeconomics exams 1-3 (at 20% each) and best 4/5 quizzes (weighted for a total 10%)]. The student bombs the final exam which would lower their final course grade. The student would get the 85.

I will only use a student's final exam grade, and weight it at 30% if it makes the student's overall course grade better off. **Students may use the optional final exam to substitute for their lowest exam score.**

No make-up final exams will be offered/given under any circumstances.

IF YOU HAVE ANY QUESTIONS ABOUT THE ATTENDANCE POLICY AND MAKE-UP EXAM POLICY PLEASE SPEAK WITH ME. DO NOT ASSUME!! ALWAYS ASK!!!

Classroom Etiquette: All students are expected to conduct themselves in a courteous manner within the classroom. This is to provide all students with a good learning environment. Coming in late, talking or exiting the room during lecture and cell phones are disruptive to your classmates. (Also Refer to GT policy on disruptive student conduct in the classroom) Repeated violations of classroom etiquette will result in being dismissed from class.

Notes:

1. Georgia Tech offers accommodations to students with disabilities. Please contact the ADAPTS office if you require such accommodation. If you already have a letter from the ADAPTS office approving specific accommodations, please be sure to give me a copy of that letter.
2. Incompletes will only be given to students who are **PASSING** the course with a grade of C or better, and even then, only in very special circumstances. In the case where an incomplete is awarded, it **MUST** be removed by the end of the **NEXT** term that the student is enrolled and in residence (and within **TWO** terms regardless of whether or not the student is enrolled) or it will automatically turn into an F.
3. Students who withdraw after the midpoint of each term will not be eligible for a "W" except in cases of hardship. A student who withdraws after the midpoint of the term is assigned a grade of "WF," except in those cases in which (1) hardship status is determined by the Office of the Dean of Students because of emergency employment, or health reasons, and (2) the student is doing passing work, as determined by the student's instructor(s). All students are responsible for knowing and adhering to GT Policy of Academic Honesty as published.
4. Effective Fall 2001, all instructors must, on a date after the mid-point of the course (to be set by the Provost),
 - a. Give a WF to all those students who are on their rolls, but no longer taking the class; and
 - b. Report the last day the student attended or turned in an assignment.
5. This course syllabus provides a general plan for the course; deviations may be necessary. Important University dates can be found at <http://www.registrar.gatech.edu/index.php?r=1>

Important Dates for ECON 2105 Spring 2015 (08/17/2015-12/11/2015)

August 17th : First day of class

August 21st : Last day to drop a course without a "W" for Fall 2015 (Deadline is 4:00pm ET)

September 7th : Labor Day (no classes held)

October 10th – 13th : Fall Break (no classes held)

October 25th: Last day to drop classes with a grade of "W" for Fall 2015 (Deadline is 4:00pm ET)

November 25th – 27th : Thanksgiving Break (no classes held)

December 4th : Last day of classes

December 7th – 11th : Final Exams

December 15th : Grades available online after 6pm ET

Course Schedule

Following is an *approximate* schedule for the semester. The schedule is subject to revision as necessary. The exam dates are not likely to change, only the material covered on each day or on each exam. I will always let you know what will be covered on an examination, and will keep you informed of any changes to the course schedule.

Week 1 08/17- 08/21	Introduction to Course Chapter 1: Markets and the Necessity of Scarcity <i>Topic(s): The inequality of opportunities as strong economic motivators; economic systems and the management of private vs. public choices</i>
Week 2 08/24- 08/28	Chapter 2: Opportunity Costs and PPFs: All Choices are Bad Ones and all Bad Choices are Exploitable <i>Topic(s): Benefits from specialization; Comparative vs. Absolute Advantage; Gains from trade and exchange; Exploiting scarce opportunities for market creation</i>
Week 3 08/31- 09/04	Chapter 2 (continued) Quiz 1: Tuesday, 09/01/2015
Week 4	

09/07-09/11	Chapter 3: Supply and Demand and "The Invisible Hand" <i>Topic(s): Supply and Demand analysis; Short-run vs. Long-run; Micro markets and the Macro Economy; The role of scarcity as a function of trade and exchange for market development</i>
Week 5 09/14-09/18	Chapter 3 (continued) Quiz 2: Tuesday, 09/15/2015
Week 6 09/21-09/25	Chapter 4: The Macroeconomy: Putting the Building Blocks Together <i>Topic(s): CFI model and the national income identity, Approaches to calculating GDP; nominal vs. real GDP; CPI; other macro economy measurements</i> Macro Economics Exam #1: Tuesday, 09/22/2015
Week 7 09/28-10/02	Chapter 4 (continued) Chapter 5: Economic Growth: Can an Economy alter its Destiny with Just Investment? <i>Topic(s): Composition of business cycles, The Cobb-Douglass Production Function, Determinants of Economic Growth, Savings and Investment Model (closed economy and open economy); why investment in machines is not enough</i>
Week 8 10/05-10/09	Chapter 5 (continued) Quiz 3: Tuesday, 10/06/2015 <i>Topic(s): Technology; "The Innovator's Dilemma"; short-run and long-run effects of creative destruction; supply side economics</i>
Week 9 10/12-10/16	10/13/2015 Fall Break (no class held) Chapter 6: The Keynesian Cross and the Multiplier <i>Topic(s): Boom-and-Bust Cycles; Say's law; Demand side vs. Supply side economics; The Keynesian Cross; business cycles and the multiplier process;</i>

Week 10 10/19- 10/23	<p>Chapter 6 (continued)</p> <p>Quiz #4 : Tuesday, 10/20/2015</p> <p>Topic(s): The multiplier; the relevance or non-relevance of spending multipliers; problems in the simplicity of aggregation; <i>why truly in the long run "we are all dead"</i></p>
Week 11 10/26- 10/30	<p>Chapter 7: The Aggregate Demand and Aggregate Supply Model</p> <p><i>Topic(s) supply side economics and altering an economy's long run path; trending at, above, or below the long run average; the natural tendency of economic systems to self-correct; demand and supply side shocks; etc</i></p> <p>Macroeconomics Exam #2: Tuesday, 10/27/2015</p>
Week 12 11/02 - 11/06	<p>Chapter 7 (continued)</p> <p>Chapter 8: Fiscal and Monetary Policy: The Short-Run Management of the Business Cycle</p> <p><i>Topic(s): Determinants of fiscal policy; the government spending multiplier; the function and regressiveness of taxes; the tax multiplier; debt and leverage; the IOU cycle; limits of debt lead growth; etc.</i></p>
Week 13 11/09- 11/13	<p>Chapter 8 (continued)</p> <p>Quiz #5 : Tuesday, 11/10/2015</p> <p><i>Topics(s): Money and banking; the money multiplier and the money creation process; monetary policy; 2007-2009 financial crisis; etc.</i></p>
Week 14 11/16- 11/20	<p>Chapter 8 (continued)</p> <p>Macroeconomics Exam #3: Tuesday, 11/17/2015</p> <p><i>Topic(s): International Trade and International Finance</i></p>

Week 15 11/23- 11/27	<i>Thanksgiving Break (11/25-11/27)</i> <i>Class cancelled for Tuesday, 11/24/2015</i>
Week 16 11/30- 12/04	Dead Week <i>Chapter in Progress for Textbook</i> <i>Topic(s): International Trade and International Finance</i> Prep for Final Examination (Review)
	Final Examination (optional): Thursday, December 10th, (8:00am to 10:50am) (comprehensive/cumulative)**