

Introduction to Macroeconomics (GECON 200)
Spring 2017

Instructor: Zachary Gochenour (gochenzj@jmu.edu)

Times and Location:

<u>Section</u>	<u>Time</u>	<u>Location</u>
10	Tue/Thur 3:30-4:45	Zane Showker 106
12	Tue/Thur 5:00-6:15	Zane Showker 106
14	Mon/Wed 5:30-6:45	Zane Showker 105

Office: Zane Showker 439

Office Hours: Mon/Wed 2:00-4:00, Tue/Thur 2:00-3:30

During this course you will develop the tools to understand the world around you and a vocabulary for describing it. In the broadest sense, economics is the scientific study of all things in the social world. As the discipline grew, topics which focused on questions about the economy as a whole (as in the globe or a country or region) rather than individual markets began to be called “macroeconomics.” This is a course designed to introduce you to those topics.

Catalog description: Behavior of systems at the national and international levels. Topics include the methodology of economics as a social science, supply and demand, definition and measurement of important macroeconomic variables, and theoretical models of growth, inflation, interest rates, unemployment, business cycles, stabilization policy, exchange rates and the balance of payments. This course is a part of General Education Cluster 4. Taking this course may fulfil one of your GenEd requirements. (<http://www.jmu.edu/gened/goals.html>)

Course goals: After completing this course, students should be able to show understanding of macroeconomic issues such as economic growth, trade, inflation, and business cycles. They should understand some competing theories about how the macroeconomy works and how these suggest differing roles for government policy makers. They should have a general understanding of global economic history and the role of trade in creating wealth.

Class format: This is primarily a lecture-based class supplemented with in-class activities, experiments, videos, and discussions.

Prerequisites: Mastery of high school level algebra is expected. There will be some use of graphs and analysis of macroeconomic data.

Attendance: Recommended, but not required. There is no need to email me if you will miss class. You are responsible for getting the notes from another student and staying up to date on class news.

Electronics: During the course of this class, we will occasionally use MobLab. You will have an account (see below) and will use your laptop, tablet, or smartphone to participate. During the majority of time when we are NOT using this software, all laptops, phones, etc. are strictly prohibited. Students caught using a contraband device will have 5 points deducted from their overall grade.

Academic Honesty and Integrity: All students are expected to comply with JMU policy about academic integrity and honesty at all times. I take this very seriously, as should you. Penalties for honor code violations include a grade of “F” assigned for the course. No exceptions.

(<http://www.jmu.edu/academicintegrity/>)

Disabilities notice: If you have not already done so, you will need to register with the Office of Disability Services, Student Success Center, First Floor, Suite 1202, 568-6705, and provide me with an Access Plan letter outlining your accommodations. Accommodations will be made for students with disabilities in accordance with JMU policy <http://www.jmu.edu/JMUpolicy/1331.shtml>

Inclement weather policy: During inclement weather, be aware of closure notice directly from the university or by checking the university web page. If class is cancelled for another reason, I will send an announcement. <http://www.jmu.edu/JMUpolicy/1309.shtml>

Religious observance accommodation: Notify me as early as possible before the add/drop deadline if you expect to need accommodation for religious observance or engagement of great personal importance that will cause you to miss instructional or testing time. We will discuss the appropriate accommodation at that time.

Required texts and licenses:

- ***Modern Principles of Macroeconomics, Third Edition*** by Tyler Cowen and Alex Tabarrok, available at the bookstore or online. You must have access to the ebook and associated online resources. In fact, you can succeed in this class without a physical copy of the textbook, but not without the ebook. You may purchase the ebook on its own at the Macmillan Learning website or elsewhere online.

- ***MobLab*** - Purchase a license online.

Other texts and resources:

All other texts and resources required for the class are available online for free, and I have included the links along with the relevant assignment, below.

Grades: Your grade will be based on

Online quizzes (5): 10 pts each

Midterm Exams (2): 100 pts each

Final Exam: 150 pts

Therefore there are 400 possible points. Your grade will be assigned as follows:

350-400 A

300-349 B

250-299 C

200-249 D

<200 F

If you are, in my subjective evaluation, one of the students who contributes the most to class discussion, you will earn a “+” grade.

If you disrupt class or otherwise fail to completely follow the classroom rules, you will receive a “-” grade (at least).

Extra credit will be available in the form of bonus test questions. Exams are cumulative. **There are no make-up exams for any reason.** If you miss an exam, you should provide me with a documented excuse of a medical or family emergency, and I will replace your exam grade with whatever percentage you earn on the final exam.

Students, especially those new to college, typically find this course difficult. It is absolutely imperative that you keep up with course material and do not fall behind. Make use of your fellow students, your PASS sessions, and my office hours.

Final Exam: The final exam will be cumulative and will take place on the following timetable.

<u>Section</u>	<u>Class Time</u>	<u>Location</u>	<u>Exam Date/Time</u>
10	Tue/Thur 3:30-4:45	Zane Showker 106	Tuesday 5/2 1:00-3:00
12	Tue/Thur 5:00-6:15	Zane Showker 106	Tuesday 5/2 3:30-5:30
14	Mon/Wed 5:30-6:45	Zane Showker 105	Friday 4/28 1:00-3:00

Do not schedule to leave before this date. You will take the exam at the appointed time or receive a “0” on the exam. Speak to me as soon as possible about any emergencies.

See https://www.jmu.edu/registrar/wm_library/1171_exam_schedule.pdf for any changes

Tentative Schedule: The assignments that follow may be modified at any time by the course instructor. Changes will be announced in class as well as on Canvas.

The number refers to the week number. For example, “1” refers to the first week of class. Beginning the second week, you must read all of the assigned readings before our first meeting of the week. Because of likely class cancellations for inclement weather and my baby (due January 30) the schedule will be updated as semester evolves.

Along with these reading assignments, you will be required to watch short videos related to the material, found at <http://www.mruniversity.com/>. Some of these you will watch outside of class, others we will watch in class together. I will post assigned videos to Canvas so you know what to watch in advance. The videos are one of your best resources for reviewing and mastering the material. I highly recommend you bookmark the site and visit it often! Show your friends! Show your family!

1. Human Society and Behavior (2 classes)

Modern Principles of Macroeconomics (hereafter C&T) - Chapter 1

Frederic Bastiat, “What is Seen and What is Not Seen” - sections 1 and 5
(<http://bastiat.org/en/twisisatwins.html>)

Henry Hazlitt, “Economics in One Lesson” – Chapter 1 “The Lesson”
(<http://www.hacer.org/pdf/Hazlitt00.pdf>)

2. Comparative Advantage (1 class)

C&T - Chapter 2

3. Demand, Supply, and Equilibrium (2 classes)

C&T – Chapters 3 & 4

Russell Roberts, “Where Do Prices Come From?”
(<http://www.econlib.org/library/Columns/y2007/Robertsprices.html>)

4. International Trade (2 classes)

C&T – Chapter 19

Russell Roberts, “Treasure Island: The Power of Trade. Part 1...”
(<http://www.econlib.org/library/Columns/y2006/Robertscomparativeadvantage.html>)

Russell Roberts, “Treasure Island: The Power of Trade. Part 2...”
(<http://www.econlib.org/library/Columns/y2006/Robertsstandardofliving.html>)

TEST 1 - Economic Fundamentals (Feb 7 or 8)

5. Political Economy and Public Choice (2 classes)

C&T - Chapter 17 & 21

Bryan Caplan, "The Idea Trap"

(<http://www.econlib.org/library/Columns/y2004/Caplanidea.html>)

6. Measuring Growth (2 classes)

C&T – Chapter 6

David Henderson, "GDP Fetishism"

(<http://www.econlib.org/library/Columns/y2010/HendersonGDP.html>)

Robert P. Murphy, "Pitfalls in GDP Accounting"

(<http://www.econlib.org/library/Columns/y2016/Murphygdp.html>)

7-8. Economic Growth (4 classes)

C&T – Chapters 7 & 8

"Poverty, Inc." (we will watch parts of this in class)

Jeffrey Sachs, "The Geography of Poverty"

(<http://earth.columbia.edu/sitefiles/file/about/director/documents/sciam0301.pdf>)

Arnold Kling, "Did Racial Differences Cause Societies to Diverge?"

(<http://www.econlib.org/library/Columns/y2014/Klingdiverge.html>)

Note: Spring Break will occur in the middle of this section.

TEST 2 - Economic Growth (March 16 or 20)

9. Savings, Investment, and the Price of Time (2 classes)

C&T – Chapter 9

Henry Hazlitt, "Economics in One Lesson" – Chapter 24 on Savings

(<http://www.hacer.org/pdf/Hazlitt00.pdf>)

10. Unemployment (2 classes)

C&T – Chapter 11

Henry Hazlitt, "Economics in One Lesson" – Chapters 7-10 on Employment & Chapters 19-20 on Wages

(<http://www.hacer.org/pdf/Hazlitt00.pdf>)

11. Inflation (2 classes)

C&T - Chapter 12

Henry Hazlitt, "Economics in One Lesson" – Chapter 23 on Inflation

(<http://www.hacer.org/pdf/Hazlitt00.pdf>)

Kevin Hoover, "Phillips Curve"

(<http://www.econlib.org/library/Enc/PhillipsCurve.html>)

12-13. Business Cycles (4 classes)

C&T - Chapters 15 & 16 & 18

Alan Binder, "Keynesian Economics"

(<http://www.econlib.org/library/Enc/KeynesianEconomics.html>)

Bennett McCallum, "Monetarism"

(<http://www.econlib.org/library/Enc/Monetarism.html>)

Kevin Hoover, "New Classical Macroeconomics"

(<http://www.econlib.org/library/Enc/NewClassicalMacroeconomics.html>)

N. Gregory Mankiw, "New Keynesian Economics"

(<http://www.econlib.org/library/Enc/NewKeynesianEconomics.html>)

If there is time remaining, I may discuss a few more topics, and we will be sure to have at least one class for review before the final exam.