

EC 102 – PRINCIPLES OF ECONOMICS – MACROECONOMICS (4 credits)

Course Description

Macroeconomics is the branch of economics that examines the economic behaviour of the entire economy. It deals with national income, national output, national employment and so on. It is concerned with the study of real life economic issues and problems. It teaches the macroeconomic issues such as unemployment, inflation, cyclical business fluctuations, economic growth, the role of money, theories of interest rates, stabilization policies, foreign exchange rates, balance of payments difficulties, and comparative economic advantages among nations.

This course provides a common sense approach to the world of macroeconomic decisions and their impact on society. It is aimed at providing the necessary background in the economic issues of establishing, running and managing a business in today's society. While emphasis will be placed on the U.S. economy, the Spanish and other European economies will be discussed in detail during the course.

Text

Samuelson, P.A. & Nordhaus, W.D., "Economics", 18th edition, McGraw-Hill, New York, 2005.

Complementary Sources of Information

Miles, D. & A. Scott "Macroeconomics: Understanding Wealth of Nations", 2nd ed., John Wiley & Sons, 2005.

David Altig's macroblog (<http://macroblog.typepad.com/macroblog/>)

The BBC (<http://www.bbc.co.uk/>)

The Wall Street Journal (<http://online.wsj.com/>)

El Economista (www.eleconomista.es)

Expansión (www.expansion.com)

The Economist (weekly magazine)

World Bank – www.worldbank.org

The International Monetary Fund (IMF) – www.imf.org

Tentative Schedule of Topics, Assignments and Activities

Module 1. *What is Macroeconomics?: Fundamentals and some jargon*

Module 2. *Measuring Economic Activity: Data and Definitions*

Module 3. *Introducing some analytical tools: Aggregate Supply and Demand*

Module 4. *Consumption, Savings and Investment*

Module 5. *Monetary Policy: Money, Inflation and Central Banks*

Module 6. *Fiscal Policy: The Role of Government*

Module 7. *Economic Growth: Everything is connected!*

Module 8. *Contemporary Macroeconomic Debates*

Format of the course

- *Class lectures and discussions.* Students are expected to participate actively in class discussions. They are required to keep abreast of current macroeconomic events in the media to be able to participate in discussions of these issues.
- *Homework.* Students are expected to work on exercises and questions periodically assigned, and to discuss them in class.
- *Class presentation:* I will split the class into groups of two people and assign to each group a country. Each group will have the responsibility to prepare a 30 minute presentation explaining how the economic system of the country assigned works as well as a brief comment on its current macroeconomic situation. Presentations will be held one country per class, using for that purpose the first 30 minutes of the time allocated for the class.
- *Term paper:* Students will write a term paper on a contemporary macroeconomic issue (financial crises, central bank decisions, public policy, economic programs of new governments, etc.). The objective of the papers is to develop analytical skills and the ability to assume and defend a position regarding economic and political issues. Students must choose a topic and present it for approval within the first 8 weeks of the course. The paper must be accompanied by a full bibliography (do not use wikipedia!).
 - ✓ The papers must have complete, correctly prepared footnotes.
 - ✓ Format: Word Document, Times New Roman/Tahoma 12, 1.5 interlined space, text fully justified
 - ✓ Extension: A **maximum of 5 pages** is established (including graphs, tables, etc.)
 - ✓ A warning on plagiarism. When writing a research paper or an essay exam you must identify your intellectual indebtedness to the authors you have read. This can be done through footnotes, bibliography, or by making a direct reference to the scholar or author in question. Failure to do so will be considered plagiarism. Plagiarism is the most serious academic offense you can incur in and could have serious consequences for you. ***Plagiarized works or exams will receive an F and two incidents will result in an F in the final grade of the course.***
 - ✓ There will be **NO EXTENSIONS** and late papers **WILL NOT** be accepted.

The final grade for the course will be evaluated as follows:

Midterm Exam	25%
Final Exam	30%
Term paper	15%
Presentation	15%
Participation (preparation for class, participation...)	15%

No make-up exams will be given. Any student not showing up for an exam will automatically receive an F on that exam.

Course policies

- (1) Papers and written assignments must be printed out on paper and handed in during class time.
- (2) Students are not allowed to eat or drink in class or ***use cell phones.***
- (3) Student conduct: Students are expected to follow all university policies on academic conduct (e.g., those regarding plagiarism and cheating, being cooperative and respectful with their classmates and instructors, etc.). The first incidence regarding academic conduct will be dealt directly with the instructor. **Two incidences will immediately be turned in to Suffolk authorities for immediate correction.**