

Instructor: Tiezheng Song Spring 2018  
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Office Hours: Monday noon-1:00 pm or by appointment

### COURSE DESCRIPTION

The course offers an introduction to macroeconomic analysis. The main theme is the analysis of aggregate economic activity, emphasizing current public policy issues. The course covers the determinants of the level and rate of growth of total output, as well as the causes of unemployment and business cycles, and inflation. Major themes include the effects of monetary policy (i.e. the determination of the money supply and interest rates) and fiscal policy (i.e. government spending, taxing and borrowing).

### COURSE OBJECTIVES

Students should be able to understand and use the fundamental tools of macroeconomic theory to analyze and explain aggregate economic activity. The tools and concepts include, but are not limited to: the construction of the National Income and Product Accounts, the structure and operation of the Federal Reserve System, and the conduct of fiscal policy, with emphasis on the microeconomic foundations of fiscal policy.

### PREREQUISITES

This course requires basic math skills, including the extensive use of algebra. In addition, students will be expected to read and interpret economic information displayed in the Cartesian plane. **WARNING: Students who are deficient in these areas should seek remedial instruction before taking this course.**

### TEXT

Mankiw, N. Gregory. *EC202, Macroeconomics: Cengage Learning*. Stamford, CT: Cengage Learning, 2015. ISBN 978-1-305-29933-7

MindTap: Students purchasing the custom edition of the text will also receive access to MindTap, which is an on-line interactive tutorial. Once you have gained access to MindTap, you will find a set of practice assignments and other study aids on the site. MindTap will be used as assignments.

Reading recommended (not required textbook):

Timothy Talyor. *The Instant Economist: Everything You Need to Know About How the Economy Works*, January 31, 2012  
Komlos, J. *What Every Economics Student Needs to Know... and Doesn't Get in the Usual Principles Text!* Armonk, NY: M.E. Sharpe, 2014.

### GRADING

There will be two midterms, a final exam, and assignments. These will be weighted as follows:  
**(Please, see the next page for important further details)**

Attendance and participation	15%
Assignments:	20% (see the assignment part for details)
1 <sup>st</sup> midterm:	20%
2 <sup>nd</sup> midterm:	20%
Final exam:	25%

I do not curve grades (**Please, refer to my clarification in class on the very first day of class; please make sure to ask me to explain to you again if you decide to take the course but are not clear about what I said, or missed that class**). It is theoretically possible for everyone to get an A (or an F). Your grade depends solely on your own performance. Final numerical grades will be translated to letter grades as follows:

Numerical Score	>97	93-96.9	90-92.9	87-89.9	83-86.9	80-82.9	77-79.9	73-76.9	70-72.9	67-69.9	63-66.9	60-62.9	<60
Letter Grade	A+	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	F

In the past, grades in an econ 200-level course have been approximately distributed as follows: A=15%, B=30%, C=30%, D=15%, F=10%. However, students should view these as averages from which any particular class may deviate either positively or negatively.

**There is no extra credit given for the course.** Therefore, all efforts must be focused on the components described in the syllabus. **Again, please do not ask for extra credit.**

**The requirement of students electing to enroll for credit only S/U:** In order to receive a grade of S, students are required to take all exams and quizzes, complete all assignments, and earn a grade of C- or better. Conversion from letter grading to credit only (S/U) grading is subject to university deadlines. Refer to the Registration and Records calendar for deadlines related to grading. For more details refer to <https://policies.ncsu.edu/regulation/reg-02-20-15/>

**The requirement of students electing to enroll for audit AU:** Students auditing this course are required to take all exams and quizzes, and complete all assignments. For more details refer to: <https://policies.ncsu.edu/regulation/reg-02-20-04/>

**Policy on Incomplete Grades:** At the discretion of the instructor, students may be given an incomplete grade for work not completed because of a serious interruption in their work not caused by their own negligence (i.e., documented illness or family emergency occurring after a student has completed the majority of the course). An incomplete grade cannot be given, however, as a substitute for an F when the student's performance in the course is deserving of failing. An incomplete is only appropriate when the student's record in the course is such that the successful completion of particular assignments, projects, or tests missed as a result of a documented serious event would enable that student to pass the course. For this particular course, I do not anticipate the opportunity for an incomplete grade except in the case that all work has been completed with a passing grade in the course except for the final exam, and a serious unanticipated situation prohibits a student from completing the final. All such situations must be discussed with the instructor. The University policy on incomplete grades is located at: <https://policies.ncsu.edu/regulation/reg-02-50-03/>

## EXAMS

Students who cannot be present for one of the exams must notify me in advance, if possible, and be prepared to document the reason for their absence. For those with a legitimate excuse, the final exam score will be substituted for the missed exam. **If you miss a midterm due to an unexcused absence, you will receive 0 points for the assessment.**

## Assignments

The homework will be assigned and submitted through MindTap website, the online resource associated with your text. Please go to the Moodle website of this course and get enrolled to the MindTap system after you purchase the customized text. **Homework assignments will be made available at least one week prior to the due date. MindTap assignments are due on the due date (usually 11 PM the following Thursday). Late submissions will not be accepted except for legitimate excuse.** The final assignment will be due during the final week of classes. When enroll in the online homework system, please make sure that: (1) enroll the MindTap **ONLY through our course MOODLE website link.** (2) Enter your personal information correctly.

**Assignment is not compulsory** and if you choose not to do the assignment through MindTap, the portion will be distributed to other parts of the evaluation. More specifically, the evaluations are

Attendance and participation	20%
1 <sup>st</sup> midterm:	25%
2 <sup>nd</sup> midterm:	25%
Final exam:	30%

For those of you doing the online assignments, I will calculate the final grade based on **both** grading schedules. ***If one did the assignment but at the end of the semester it turns out that the final course grade is higher without the assignment part, I will use the grading schedule without the assignment (or whichever way favors your grade if you want to interpret it like that).***

**Example1.** Anna has completed the online assignments throughout the semester. She gets 86% with the assignment counting towards grade, and 79% without. Her final grade is going to be 86%.

**Example2.** Ben has done the online assignments. He gets 78% with the assignment counting towards grade, but 82% without the assignment. His final grade is going to be 82%, for that 82% > 78%.

**Example3.** Chris gets 83% for the final grade at the end of the semester, but he did not do the online assignments at all. He gets 83% for the final course grade, using the 2<sup>nd</sup> grading schedule.

The assignment grade is likely to be higher than the exam grade for that it has less time pressure relatively and you can discuss with friends. However, there are a few questions relating to material we will not talk about in class, so one may need to do some extra work to get those questions correct. The exams, on the contrary, only covers material discussed in class. NOTE: The due date of the last online assignment is 11PM Thursday 04/26/2018.

## Attendance

**Regular attendance is essential** to your understanding of the material. We will have several in-class exercises designed to aid in your grasp of the material. Please understand that it is easy to fall behind in this course. Students are responsible for all missed work, regardless of the reason for absence. It is also the absentee's responsibility to get all missing notes or materials. If you miss a class, you should work with your classmates to get copies of the notes and carefully review the material in the textbook or slides posted online. Leaving classroom early without instructor's permission is counted as missing the class.

**Excuses for anticipated absences must be cleared with the instructor BEFORE the absence and related documents need to be provided (within a week after the excused absence).** The documentation must have clear identification information – date, your first and family names (no nick name), information about the third party, and should be clear, relevant and readable. **In case of unexcused absence, you are allowed to miss 3 (three) classes during the semester without penalty.** **WARNING: Any further unexcused absences will result in a single point deduction from your final course grade (out of 100).**

If you have full attendance for the whole semester, you get **at least 50%** of the "Attendance and participation" part grade. The other 50% is evaluated under the instructor's discretion based on the quizzes, classroom participations and others.

## Classroom Environment

It is expected that students will come to class prepared to fully engage in lecture and any classroom activities. We are a technologically based society and as such it is expected that some students will have laptops, tablets, iPads or other electronic devices. Please be respectful of both your colleagues and me in your use of these devices. **Non-class related activities should not be engaged in during class.** Facebooking, You-tubing, texting, emailing, etc. will result in confiscation of the electronic device for the duration of the class. Please turn all phones to vibrate and put them away for the class. No phones should be out for quizzes or exams. **Please be sure to bring a calculator to class for use during quizzes and exams; use of cell phone calculators will not be allowed.** That said, you should expect a relaxed atmosphere conducive to asking questions, discussing concepts and active engagement in the learning process.

Disabled Students: Reasonable accommodations will be made for students with verifiable disabilities. In order to take advantage of available accommodations, student must register with the Disability Services Office (<http://www.ncsu.edu/dso>) for Students at 1900 Student Health Center, Campus Box, 919-515-7653. For more information on NC State's policy on working with students with disabilities, please see the Academic Accommodations for Students with Disabilities Regulation at <http://policies.ncsu.edu/regulation/reg-02-20-01>.

**Non-Discrimination Policy:** NC State University provides equality of opportunity in education and employment for all students and employees. Accordingly, NC State affirms its commitment to maintain a work environment for all employees and an academic environment for all students that is free from all forms of discrimination. Discrimination based on race, color, religion, creed, sex, national origin, age, disability, veteran status, or sexual orientation is a violation of state and federal law and/or NC State University policy and will not be tolerated. Harassment of any person (either in the form of quid pro quo or creation of a hostile environment) based on race, color, religion, creed, sex, national origin, age, disability, veteran status, or sexual orientation also is a violation of state and federal law and/or NC State University policy and will not be tolerated. Retaliation against any person who complains about discrimination is also prohibited. NC State's policies and regulations covering discrimination, harassment, and retaliation may be accessed at <http://policies.ncsu.edu/policy/pol-04-25-05> or [http://www.ncsu.edu/equal\\_op/](http://www.ncsu.edu/equal_op/). Any person who feels that he or she has been the subject of prohibited discrimination, harassment, or retaliation should contact the Office for Equal Opportunity (OEO) at 919-515-3148.

Academic Integrity: Students are expected to adhere to the University's policy on academic integrity. I expect that a student's signature on any test or assignment means that you have neither given nor received unauthorized aid. For a full review, please see the "Academic Integrity" section of the "Code of Student Conduct": <http://policies.ncsu.edu/policy/pol-11-35-01>.

Also, see <http://policies.ncsu.edu/policy/pol-11-35-01> for a detailed explanation of academic honesty. Additional requirements TBD.

**Statement about electronically hosted course components:** Students may be required to disclose personally identifiable information to other students in the course, via electronic tools like email or web-postings, where relevant to the course. Examples include online discussions of class topics, and posting of student coursework. All students are

expected to respect the privacy of each other by not sharing or using such information outside the course.” The University’s online course material host requirements are located at:

<https://policies.ncsu.edu/regulation/reg-08-00-11/>

#### OTHERS

You can always find **most (if not all) material on our Moodle course website** (online homework, latest syllabus, slides, videos, articles, quiz solutions, etc.)

Important notices relate to this course will be sent through university email so **students are responsible for checking the university email on a regular basis**, say at least twice a week. The instructor will respond to a student email normally within 48 hours. **Again, please check your school email regularly.**

**The instructor reserves the right to modify the syllabus through the semester.** The instructor will let students know the change(s) promptly in class and/or through email.

#### IMPORTANT DATES

First Day of NCSU classes	Monday	January 8
Last day to add a course without permission	Friday	January 12
Martin Luther King, Jr. Day (no class)	Monday	January 15
Census Day (last day to drop without a W grade)	Wednesday	January 24
Exam I	Wednesday	February 21
Spring Break (no class)	Monday-Friday	March 5-9
Drop Date	Monday	March 12
Spring Holiday (no class)	Friday	March 30
Exam II	Monday	April 2
Last Day of class	Friday	April 27
Final Exam	Friday	May 4

#### EXTENDED OUTLINE

(Note: Lectures are numbered according to the slides used in class. The exercises listed below are recommended for practice and discussion):

##### WEEK 1

Lecture #1 (01/08/18 M) – Introduction to the Course  
Lecture #2 (01/11/18 W) -- Supply and Demand: A Review  
Reading Material: Mankiw – Chapter 4

Chapter 4 Exercises:

Questions for Review – 2, 4-5, 7-9, p. 86

Multiple Choice – 3-6, p. 86

Problems and Applications – 3, 6, 8, p. 87

##### WEEK 2

**NOTE: There will be no class on Monday 01/15/18 – Martin Luther King Holiday.**

Lecture #3 (01/17/18 M) – The Micro-Foundation of Fiscal Policy: Taxation

Reading Material: Mankiw – Chapter 6

Komlos – Chapter 10, What is Macroeconomics?

Chapter 6 Exercises:

Questions for Review – 1- 7, p. 129

Multiple Choice – None

Problems and Applications – 4, 6, p. 130

## EXTENDED OUTLINE (cont.):

### WEEK 3

Lecture #4 (01/22/18 M) – Consumer and Producer Surplus

Reading Material: Mankiw – Chapter 6, pp. 121-126, only

Lecture #5 (01/22/18 M) – Market Efficiency

Reading Material: Mankiw – Chapter 7

Lecture #6 (01/24/18 W) – The Costs of Taxation

Reading Material: Mankiw – Chapter 8, pp. 155-160, only

Chapter 7 Exercises:

Questions for Review – 1-4, p. 151

Multiple Choice – 1-4, pp. 151-152

Problems and Applications – 2-4, p. 152

Chapter 8 Exercises:

Questions for Review – 2, p. 168

Multiple Choice – 2, p. 169

Problems and Applications – 1a and 1b, p. 169

### WEEK 4

Lecture #7 (01/29/18 M) – The Economics of the Public Sector: Externalities

Reading Material: Mankiw – Chapter 10, pp. 195-201, only

Komlos – Chapter 12, pp. 203-207, only

Lecture #8 (01/31/18 W) – The Economics of the Public Sector: Public Goods

Reading Material: Mankiw – Chapter 11

Lecture #9 (01/31/18 W) – Review of this week

Chapter 10 Exercises:

Questions for Review – 1, p. 212

Multiple Choice – 1, p. 213

Problems and Applications – 2, p. 213

Chapter 11 Exercises:

Questions for Review – 1-2, and 4, p. 229

Multiple Choice – 1-3, and 6, p. 229

Problems and Applications – 1, 7, pp. 229-230

### WEEK 5

Lecture #10 (02/05/18 M) – Measuring a Nation's Income: GDP

Reading Material: Mankiw – Chapter 15, pp. 307-315

Lecture #11 (02/05/18 M) – Real vs. Nominal GDP

Reading Material: Mankiw – Chapter 15, pp. 315-325

Lecture #12 (02/07/18 W) – The Standard of Living

Reading Material: Komlos – Chapter 9, pp. 162-166 and Chapter 11, pp. 187-188, only

Lecture #13 (02/07/18 W) – Measuring Real vs. Nominal GDP (Review)

Reading Material: None

Chapter 15 Exercises:

Questions for Review – 1, 5-8, p. 326

Multiple Choice – 1, 4-6, pp. 326-327

Problems and Applications – 1-2, 4, and 6, pp. 327-328

EXTENDED OUTLINE (cont.):

WEEK 6

Lecture #14 (02/12/18 M) – Measuring the Cost of Living: The CPI  
Reading Material: Mankiw – Chapter 16, pp. 329-337

Lecture #15 (02/14/18 W) – Inflation  
Reading Material: Mankiw – Chapter 16, pp. 337-342  
Komlos – Chapter 12, p. 201-202, only

Lecture #16 (02/14/18 W) – Review of this week  
Reading Material: None

Chapter 16 Exercises:  
Questions for Review – 1, 4-5, p. 343  
Multiple Choice – 1, 4-6, p. 343  
Problems and Applications – 2, 9, p. 344

WEEK 7

Lecture #17 (02/19/18 M) – The Costs of Inflation; Review, Catch up, etc.  
Reading Material: None

**(02/21/18 W) First Exam, Mankiw: Chapters 4, 6, 7, 8, 10, 11, 15 and 16**

WEEK 8

Lecture #18 (02/26/18 M) – Go over the key to the First Exam

Lecture #19 (02/28/18 W) – Economic Growth  
Reading Material: Mankiw – Chapter 17, pp. 347-356  
Lecture #20 (02/28/18 W) – Economic Growth (cont.) Production Function  
Reading Material: Mankiw – Chapter 17, pp. 356-368

Chapter 17 Exercises:  
Questions for Review – 1-4, 6-7, p. 369  
Multiple Choice – 1-2, 6, pp. 369-370  
Problems and Applications – 1-2, 6, p. 370

WEEK 9

**NOTE: There will be no class on Monday 03/05/18 or Wednesday 03/07/18 – Spring Break.**

WEEK 10

**NOTE: The last day to drop the course is Monday, 03/12/18. MyPackPortal closes at 11:59 p.m.**

Lecture #21 (03/12/18 M) – The Financial System  
Reading Material: Mankiw – Chapter 18, pp. 371-377

Lecture #22 (03/14/18 W) – The Financial System (cont.)  
Reading Material: None

Lecture #23 (03/14/18 W) – Saving and Investment  
Reading Material: Mankiw – Chapter 18, pp. 378-390  
Komlos – Chapter 12, p. 202-203, only

Chapter 18 Exercises:  
Questions for Review – 1-2, 6, p. 390  
Multiple Choice – 1, 4-6, p. 391  
Problems and Applications – 1-2, 6, 8a and 8b, pp. 391-392

EXTENDED OUTLINE (cont.):

WEEK 11

Lecture #24 (03/19/18 M) – Pricing Financial Assets

Reading Material: Mankiw – Chapter 19, pp. 393-400

Lecture #25 (03/21/18 W) – Pricing Financial Assets (cont.)

Reading Material: Komlos – Chapter 15, The Financial Sector and the Great Recession

Lecture #26 (03/21/18 W) – Asset Valuation

Reading Material: Mankiw – Chapter 19, pp. 400-405 only

Chapter 19 Exercises:

Questions for Review – 1, 3-5, p. 405

Multiple Choice – 1-3, 5, p. 406

Problems and Applications – 2-3, 6-7, pp. 406-407

WEEK 12

Lecture #27 (03/26/18 M) – Unemployment and the Labor Market

Reading Material: Mankiw – Chapter 20, pp. 409-422

Lecture #28 (03/28/18 W) – Unemployment and the Labor Market (cont.)

Reading Material: Mankiw – Chapter 20, pp. 422-428

Komlos – Chapter 11, pp. 188-193, only

Lecture #29 (03/28/18 W) – Review of Unemployment

Reading Material: None

Chapter 20 Exercises:

Questions for Review – 1, 3-4, p. 429

Multiple Choice – 1-3, 6, p. 429

Problems and Applications – 1, 3-4, 6, pp. 429-430

WEEK 13

**(04/02/18 M) Second Exam, Mankiw: Chapters 17-20**

Lecture #30 (04/04/18 W) – Money, Banking, and the Federal Reserve System

Lecture #31 (04/04/18 W) – Review of the second exam

Reading Material: Mankiw – Chapter 21, pp. 433-439

WEEK 14

Lecture #32 (04/09/18 M) – The Federal Reserve System

Reading Material: Mankiw – Chapter 21, pp. 439-446

Lecture #33 (04/11/18 W) – The Federal Reserve System (cont.); Review the Money Creation Process

Reading Material: Mankiw – Chapter 21, pp. 446-453

Chapter 21 Exercises:

Questions for Review – 2-10, p. 454

Multiple Choice – 2-6, p. 454

Problems and Applications – 3, 6-10, pp. 454-455

EXTENDED OUTLINE (cont.):

## WEEK 15

Lecture #34 (04/16/18 M) – Monetary Policy

Reading Material: Mankiw – Chapter 22, pp. 457-464

Lecture #35 (04/18/18 W) – Monetary Policy (cont.); Review the Money Creation Process, again

Reading Material: Mankiw – Chapter 22, pp. 464-470

Komlos – Chapter 12, pp. 198-201

Lecture #36 (04/18/18 W): – The Gold Standard and the Classical Treatment of Money

– Rules vs. Discretion in the Conduct of Monetary Policy

Reading Material: Mankiw - Chapter 22, pp. 470-478

Chapter 22 Exercises:

Questions for Review – 1-7, p. 479

Multiple Choice – 1-5, p. 479

Problems and Applications – 1, 3, 6, 8, pp. 479-480

## WEEK 16 (Dead Week)

**NOTE: Friday 04/27/18 –Last Day of class**

Lecture #37 (04/23/18 M) Review class

Reading Material: material before 1st midterm

Lecture #38 (04/25/18 W) Review class

Reading Material: material after the 1st midterm and before 2nd midterm

Lecture #39 (04/25/18 W) Review class

Reading Material: material after the 2<sup>nd</sup> midterm

**Final Exam – Friday, 05/04/18, 1:00–4:00 P.M**

**Location: our regular classroom**

**Roughly speaking, the first half of the final exam will consist of material covered on the first two exams, and the second half of the final exam will cover material since the second exam.**