
ECON 2105: Principles of Macroeconomics

Fall 2015

Classroom: Correll Hall 0213

Class time: Tuesdays and Thursdays, 5.00-6.15 pm

Instructor: Kuhelika De

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Office: Brooks 536

Office Hours: Tuesdays 3:30-5:00 pm and by appointment.

The syllabus is a general plan for the course; deviations may be necessary and will be announced in advance. There are no pre-requisites for this course. The last day to withdraw is Thursday, October 22.

The Course

ECON 2105 is a principles level course in macroeconomics, the study of how the overall economy performs and the impact of policies on the economy. The main objective of this course is to acquaint students with the fundamental concepts and tools of macroeconomic analysis and develop their ability to apply these to real world problems. I will cover topics on *the data of macroeconomics* which includes measuring national income and the cost of living; *the real economy in the long run* which includes production and economic growth, consumption, savings, investment and the financial system, unemployment, the monetary system, money and inflation; and finally *short run economic fluctuations* which covers aggregate demand and aggregate supply, monetary and fiscal policy, as well as the Phillips curve. I will also shed some light on *the macroeconomics of open economies*, particularly exchange rates and balance of payments. The course will involve a review and analysis of current macroeconomics issues and events from the perspectives of economists and policy makers. On completion of the course, I expect students to have a reasonably deep and broad understanding of the fundamental macroeconomic concepts and tools, the current macroeconomic issues/debates in news and what policymakers can do, if anything, to improve economic performance and human well-being.

Course Material

The textbook is Mankiw's *Principles of Macroeconomics*, 7th edition. Lecture slides, hand-outs, study guides and weekly assignments will be made available on the online portal - Aplia. Lectures will be complemented with a wide variety of online web materials –

- Economics News Articles and Macroeconomics Policy Debates from Bloomberg, WSJ, The Economist and The Financial Times.
- Macroeconomics Data from Databases like FRED, IMF and The World Bank.
- Supplementary Readings.

I will upload all web materials well in advance.

Course Requirements

In addition to three exams, students are required to complete weekly assignments on Aplia and one writing assignment.

Writing Assignment:

Essay: All students are required to turn in an essay (1-2 pages) at the end of the course. For the essay, students will select an article from a print or online news source that addresses a current macroeconomic issue. Using the tools of analysis covered in this course, students should briefly summarize the article, then analyze and defend/criticize the article. Students must either defend or critique the article and not merely summarize it. The essay should be well-written and should reflect a students' knowledge of macroeconomic applications. Students must use economic statistics from FRED or other government documents to support his/her analysis.

Grading Policy

Final Exam: 20%

Midterm Exams (2): 20% each

Weekly Assignments: 30%

Writing Assignment: 10%

Letter grades for this course will be based on the following cutoffs:

- A = 93-100%
- A- = 90-92%
- B+ = 87-89%
- B = 83-86%
- B- = 80-82%
- C+ = 77-79%
- C = 70-76%
- D = 60-69%
- F = Below 60%

However, I reserve the right to change the letter grade cutoffs.

Attendance Policy

I expect consistent class attendance from everyone. If you must miss class, please let me know ahead of time. Barring medical/family emergency, or university conflict, no make-up exams will be given. In case of extreme medical/family emergency, exam make-ups will be given at my discretion only upon proper documentation of the extenuating circumstance.

Academic honesty Policy

I expect all students in this course to fully understand and comply with UGA's culture of academic honesty: *As a University of Georgia student, you have agreed to abide by the University's academic honesty policy, "A Culture of Honesty," and the Student Honor Code. All academic work must meet the standards described in "A Culture of Honesty" found at: www.uga.edu/honesty. Lack of knowledge of the academic honesty policy is not a reasonable explanation for a violation. Questions related to course assignments and the academic honesty policy should be directed to the instructor.*

Course Outline:

- I. Introduction
 - Ten Principles of Economics
 - Thinking Like an Economist
 - Interdependence and Gains from Trade
- II. How Markets Work
 - The Market Forces of Supply, Demand
- III. The Data of Macroeconomics
 - Measuring GDP
 - Measuring the Cost of Living

First Midterm: Thursday, September 24

- IV. The Real Economy in the Long Run
 - Production and Growth
 - Savings, Investment and the Financial System
 - The Basic Tools of Finance
 - Unemployment
- V. Money and Prices in the Long Run
 - The Monetary System
 - Money Growth and Inflation

Second Midterm: Thursday, October 29

- VI. Short Run Economic Fluctuations
 - Aggregate Demand and Aggregate Supply
 - Monetary and Fiscal Policy
 - The Short Run Trade-off between Inflation and Unemployment
- VII. The Macroeconomics of Open Economies
 - The Balance of Payments
 - Fixed and Flexible Exchange Rate
 - The Monetary Approach to Balance of Payments
 - The Choice of Exchange Rate Regimes

Final Exam: Wednesday, December 16, 7:00-10:00 pm

Writing Assignment Due: Wednesday, December 16, 5:00 pm