INTRODUCTION TO MACROECONOMICS, SPRING 2019
MW 1:00 - 2:30 PM, Room: McMillan G052

Instructor: Prof. Sudeshna C. Bandyopadhyay.
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Office Location: 315F Seigle Hall
Office hours: Thursdays, 1:30 – 2:30 PM, and/or by appointment
Class Home Page on Blackboard: https://bb.wustl.edu
Participtr: https://participatr.com/764795

Course Objectives and Learning Outcomes:
At the end of the course the student should be able to:

- Identify and understand the determination of equilibrium GDP in the short run and in the long run.
- Understand the role of the Federal Reserve System in stabilizing the economy.
- Understand the application and use of monetary and fiscal policy in stabilizing the economy.
- Analyze current economic news using one or more of the macroeconomic frameworks presented in the class or in the text.

Study Materials:

(Required) PRINCIPLES OF MACRO ECONOMICS, 7th ed., by Robert H. Frank (Cornell University) and Ben S. Bernanke (Federal Reserve Bank; formerly at Princeton University), McGraw Hill Publishers, ISBN 978-1260111002. You need to purchase this book (either a hard copy or an ebook). A custom copy containing chapters 4 – 14 in a loose leaf bound, bundled with an access card for McGraw Hill’s proprietary study application, Connect, is available at the University bookstore for $182.75. The bookstore also offers Connect alone (which includes an e-book) for $140. You may also buy or rent the book online. If so, you may separately register for McGraw Hill Connect, through the McGraw Hill website.

(Strongly Recommended) Registration on Connect is not mandatory although strongly recommended due to positive student feedback from past semesters.
If you have a Connect Access Card, register for this class and section at:

Internet and E-mail Access:

- I must be able to communicate with you via your E-mail address that is printed on my class roster in Blackboard. Please make it a habit to read this E-mail on a regular basis. You are responsible for maintaining an active status of your E-mail account so that you may receive any notification that I may send you regarding the course via E-mail. If you use some other E-mail account routinely (like Google, yahoo, etc.), please make sure that your WUSTL email is forwarded to this address or this (other) account is registered with the University and is reflected on my class roster in Blackboard.

- A significant part of your class material will be posted on the Econ1021 homepage on the Blackboard website. To access the site use any standard web browser and enter location: https://bb@wustl.edu and log in using the same User-ID and Password that you used to register for classes. Once you have successfully logged in, you have to click on the link for this class. You will find the syllabus, handouts, quizzes and power point slides posted under the relevant sections. Please make it a habit to read the announcements posted on Blackboard before coming to class.

Course Activities:

- Total credit for the semester – 100%
- Quiz - 5% of course grade
- Two Midterm Exams – total of 45% to 60% of course grade (detailed below)
- Final Exam - 35% to 50% of course grade (explained below).
- The above will add up to 100% (unless you miss an exam without an official excuse).
- Attendance: 2% extra credit (explained below).

Quiz Policy:

- A Quiz (containing 15 multiple choice type questions) from each chapter will be posted (for a brief period of time) on Blackboard, typically after I have covered the chapter in class. There will be 11 such quizzes. An announcement will be posted on Blackboard. To receive credit for a Quiz, you will answer the quiz online and submit it online (you must hit the submit button) before the posted deadline. Please ensure that you start the process early so that you are not delayed due to congestion on the server due to multiple students submitting their answers at the very last minute. The server will not accept late submissions – no exceptions.
- Once a quiz closes (past deadline) I will review the solutions in class and post a copy of the solutions on Blackboard. Your quiz will be graded automatically and the scores will be posted on your Grade-book in Blackboard.
- During the semester you will be offered 11 quizzes, each worth 0.5%, for a maximum total semester quiz score of 5%. For full credit on each quiz (equal to 0.5%) you must get at least 9 out of 15 answers correct. You will get zero if you get 8 or fewer correct answers. You will have 7 days from the day of the quiz closing to correct any possible grading or typographical error on your quiz score. After 7 days no changes will be made to your quiz score even if it was a mistake on my part.
- You should look at a quiz as a learning tool (not a testing tool like an exam). Therefore, feel free to use all resources (books, study guides, internet resources, smart phones, friends, classmates, library – anything that works) to understand and learn the material you are being quizzed on. The Undergraduate TAs, Graduate MTEs and I will not be able to discuss a quiz with you before it closes. After the quiz closes we will be available to answer any question that you may have on it.
Midterm and Final Exam Policy:
- You will be offered TWO MID TERM exams and ONE cumulative FINAL exam. All exams are mandatory.
- The midterm exams will have a combination of multiple choice type and free-response type questions. The final exam will contain multiple choice type questions ONLY.
- Each Midterm Exam will test you on the additional material covered before each test. The Final exam, on the other hand, is cumulative - all materials covered during the semester are included on the syllabus for the Final exam.
- For your exams you will need nothing except a # 2 pencil (to fill in the scantron sheet to be provided by me), an eraser and a pen (optional and only if you wish to use a pen for the free response part). You may only use a #2 pencil to fill in the bubbles on the scantron.
- You are allowed to use a basic or a regular (single line) scientific calculator (like TI-30Xa, Casio FX250HC or lower) or an advanced 2-line scientific calculator (like TI-30X IIS, TI-34, or similar) on exams. You are NOT allowed to use a graphing calculator (like TI-80 and higher), or the calculator on your cell phone/laptop/tablet/notebook, or any calculator that contains a dictionary or has a memory for words.

Late Assignments and Missed Exams Policy:
- There are no opportunities to make up a Quiz. If you do not submit a Quiz on or before the deadline and the Blackboard server rejects your submission, you will receive a score of zero.
- All exams are mandatory. If you miss an exam you will receive a score of zero on it. The only exceptions to this rule are if you have a documented medical excuse, or a documented family emergency requiring previously unforeseen out of campus travel. If you are unavailable for an exam due to official WUSTL business (such as a game, performance, etc.), you need to provide me with (at least) a two-week advance written notice and any other documentation that I may require to establish that missing the exam is absolutely necessary in the greater interests of the University community. If you have a medical or a family emergency, I will need verification regarding the same from your Wash-U Advisor or the Dean’s office. Beyond everything, I will exercise my discretionary power to grant an excuse or refuse one based on my judgment.
- There is no make-up of the Final Exam. If you don't take the final exam, you will receive a score of zero on it.

Determination of Grades:
- If you take both Midterm Exams, but receive less than 30% on any one of the midterm exams, I will calculate your semester score using the following method: (Method-1). MT1: 30%; MT2: 30%; Final Exam: 35%. Method-2 (described below) will not be available to you.
- If you take both Midterm Exams, I will calculate your semester score using the following two methods and take the greater of the two numbers: (Method-1). MT1: 30%; MT2: 30% and Final: 35%; Quiz: 5%, OR (Method-2). The greater of the two Midterm Exam Scores: 45%; Final Exam: 50%; Quiz: 5%.
- If you are officially excused from a Midterm exam (in accordance with the above noted criteria), then your grade will be determined as follows: Midterm 45%; Final Exam 50%; Quiz 5%.
- If you miss a Midterm exam without a valid official excuse (awarded in accordance with the above noted criteria), then your grade will be determined as follows: Midterm 30%; Final Exam 35%; Quiz 5%. You will receive a zero for the missed Midterm exam worth 30% of your grade.
- If you need to be officially excused from both Midterm exams, you will not be allowed to complete the semester. In other words, I will not award the same person an official excuse for both Midterm exams. In that case, I will need to talk to your WUSTL Academic Advisor to determine the best course of action for you. You will most likely have to withdraw from the course.
If you fail to take both Midterm exams without a valid official excuse (awarded in accordance with the above noted criteria), then your grade will be determined as follows: Midterm Exams 0%; Final Exam 35%; Quiz 5%. You will receive a zero for the missed Midterm exams worth 60% of your grade. You will be better off withdrawing from the course because you are guaranteed to receive an F.

If you’ve taken both Midterm exams but miss the Final exam (typically due to a confusion regarding dates), your grade will be determined as follows: MT1 30%; MT2 30%; Final Exam 0%; Quiz 5%. You will receive a zero for the missed Final worth 35% of your semester score.

The grading scale is as follows and is unchanged for the semester. There is no additional curve.

- 89.5% - 93.4: A minus; 93.5 – 97.4: A; 97.5 and higher: A plus
- 79.5 - 82.4: B minus; 82.5 - 86.4: B; 86.5 – 89.4: B plus
- 69.5 - 72.4: C minus; 72.5 - 76.4: C; 76.5 – 79.4: C plus
- 59.5 - 62.4: D minus; 62.5 - 66.4: D; 66.5 – 69.4: D plus
- Less than or equal to 59.4: F.

If you are taking the course pass/fail, you must score a C or higher at the end of the semester for a passing grade. A grade of C minus will be counted as a Fail.

If you are taking the course for audit, you must score a minimum of 4% on the quizzes, and, you should score at least 10 out of 14 attendance events (explained below), by the end of the semester.

**Attendance and Extra Credit Policy:**

Attendance is required for this class. Below are some details regarding attendance etiquette:

- If you are running more than 10 minutes late, please do not enter the classroom. If you do, you will most likely be asked to leave. It distracts me and I find it to be unnecessarily disruptive. *In Economics this is called a negative externality; it is known to reduce social welfare.*

- If you are in class, you may not leave until I dismiss everyone at the end of the hour and a half of class. I find this behavior to be even more disruptive than coming to class late and hence I will not tolerate any of it. If you have a commitment that requires you to leave class before it is officially over, please do not come to class that day. *Another great example of a negative externality.* Note: I can make an exception if it happens rarely and you inform me about it at the beginning of class or by an email the day before.

- On 14 occasions over the course of the semester I will record your attendance in class using a software called Participatr. For this purpose you will need to create an account on participatr.com (for a fee of $5) and register for my class at https://participatr.com/764795

- You will receive 1 attendance credit if you are present in class and feed in the correct code on Participatr. The scores will be immediately posted on your gradebook on participatr.

- You will have 7 days from the date of posting to get back to me with complaints over errors. After the 7-day hiatus, no changes will be made even if there were genuine errors on my part.

- At the end of the semester, your attendance credits will help you earn extra-credit points up to a maximum of 2%.

- Over the course of the semester I will offer 14 attendance credit events.

- To receive attendance credits greater than zero you must be in class during 7 or more of the 14 attendance events. If you score 6 or below, you will receive a score of zero for attendance.

- Your attendance score will be [(the number of times you attend/14)*2] provided you attend at least 7 times during the semester.

- This is by no means a perfect way to provide credit for attendance but the best I can come up with (as of now) in a large lecture environment.

- If you are absent from class for any reason at all (including medical reasons and religious obligations), you will have to forgo your attendance credit for that day (if attendance was recorded). If you have been present in class for less than one hour (assuming I have granted you an excuse to
leave early), you may NOT receive attendance credit for that day. If that is the case, please do not feed in the code in Participatr.

- Signing on behalf of a friend (who is absent) and signing when present in class for less than one hour are equivalent to academic dishonesty and will be reported to the University authorities, if discovered.

Exam Logistics and Etiquette:

- Your exam seating will be determined by me and is pre-assigned. You will receive an email from me informing you of your assigned room and seat number.
- Please remember to put your cell phones on “silent” mode. You are not allowed to read your text messages while you are physically inside the exam room.
- You may not leave the exam room without the permission of the proctors for any reason at all. You should try not to visit the restroom while the exam is in progress. If you must, do not be surprised if you are accompanied by one of the proctors.
- Finally, pay attention to where you are looking. Do not look at your neighbor’s exam even inadvertently while you are in your “thinking mode”. Do not talk to your neighbors either. If you have a question, ask me or one of the proctors. This is just to remind you that you have to be careful about your behavior while taking an exam.

Grading Example:

- Example 1: Ms. A takes two midterms and a final. She gets 90% on MT1, 80% on MT2 and 92% on the Final exam; Quiz score is 5. She has 2% extra credit from attendance. Her semester score will be as follows: \((90 \times 0.45 + 92 \times 0.5 + 5 + 2) = 93.5\) by Method (1) and \((170 \times 0.3 + 92 \times 0.35 + 5 + 2) = 90.2\%\) by Method (2). She gets an A.

- Example 2: Mr. B takes two midterms and a final. He gets 82% on MT1, 92% on MT2 and 80% on the Final exam. His Quiz score is 5. He has no attendance credit points. His semester score will be as follows: \((92 \times 0.45 + 80 \times 0.5 + 5) = 86.4\) by Method (1) and \((174 \times 0.3 + 0.35 \times 80 + 5) = 85.2\%\) by Method (2), securing him a B.

- Example 3: Ms. C scores 100% on MT1, misses MT2 (without a valid excuse) and receives 100% on the Final exam. Her Quiz score is 5 and Attendance credit is 2. Her semester score will be \((100 \times 0.3 + 100 \times 0.35 + 5 + 2) = 72\% = C minus\).

- Example 4: Mr. D scores 90% on MT1, misses MT2 (with a valid excuse) and receives 85% on the Final exam. His Quiz score is 4 and Attendance credit is 1. His semester score will be \((90 \times 0.45 + 85 \times 0.5 + 4 + 1) = 88\% = B plus\).

- Example 5: Mr. E takes two midterms but misses the final exam. He gets 100% on MT1 and 100% on MT2. His Quiz score is 5 and Attendance credit is 2. His semester score will be \((200 \times 0.3 + 5 + 2) = 67\% = D plus\).

Topics:

Chapter 4: Macroeconomics: The Bird’s Eye View of the Economy
Chapter 5: Measuring Economic Activity: GDP and Unemployment
Chapter 6: Measuring the Price Level and Inflation
Chapter 7: Wages and Unemployment
Chapter 8: Economic Growth, Productivity and Living Standards
Chapter 9: Saving and Capital Formation
Chapter 10: Money, Prices, and the Federal Reserve
Chapter 12: Short Term Economic Fluctuations: An Introduction
Chapter 13: Spending and Output in the Short Run
Chapter 14: Stabilizing the Economy: The Role of the Fed
Chapter 15: Aggregate Demand, Aggregate Supply, and Inflation
A tentative schedule:

<table>
<thead>
<tr>
<th>Now to MT 1:</th>
<th>Chapters 4, 5, 6, 7, 8, 9</th>
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</thead>
<tbody>
<tr>
<td>Feb 26, Tuesday, 7:00 – 8:30 PM</td>
<td>Midterm 1. Seating are pre-assigned and will be posted on BB later</td>
</tr>
<tr>
<td>After MT 1 and before MT 2:</td>
<td>Chapters 9, 10, 11, 12, 13</td>
</tr>
<tr>
<td>Apr 15, Monday, 7:00 – 8:30 PM</td>
<td>Midterm 2. Same Room and Seat assignment as in MT1</td>
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<tr>
<td>After MT 2 and before Final Exam:</td>
<td>Chapter 13, 14</td>
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<tr>
<td>April 25, Wednesday</td>
<td>Last day for this class; Attendance 14 and Post Test</td>
</tr>
<tr>
<td>Final Exam: May 2, Thursday, 8:30 – 10:30 PM</td>
<td>Final Exam. Room and Seat to be announced</td>
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This is a tentative schedule only. In my experience, I have never been able to predict exactly how fast or how slow we will proceed. We will know for sure as the semester progresses. I reserve the right to make changes to this syllabus if circumstances so dictate. Necessary changes will be announced in class and a copy of the revised syllabus will be posted on Blackboard. Finally if the rules above seem particularly inflexible to you, I want you to understand that it is the only way (that I know) to manage a large lecture with a reasonable balance of **efficiency** and **equity**.

**NOTE:**
I strive to provide a caring and inclusive learning environment for all students irrespective of their personal backgrounds and/or identities. Please cooperate with me to foster and promote such an environment both inside and outside of the classroom.
### Some More Important dates for Spring 2019:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
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<tbody>
<tr>
<td>JAN 24</td>
<td>Last day to add/wait/change/drop/withdraw deadline on Webstac for Spring 2019</td>
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<tr>
<td>MAR 01</td>
<td>Last day to change grade option to P/A on a Spring 2019 course</td>
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<tr>
<td>MAR 10</td>
<td>Spring Break begins</td>
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<tr>
<td>MAR 16</td>
<td>Spring Break ends</td>
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<tr>
<td>APR 05</td>
<td>Last Day to drop/W &amp; change grading option to C for Spring 2019 courses</td>
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<tr>
<td>APR 26</td>
<td>Last Day of Classes for Spring 2019</td>
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<tr>
<td>APR 29 – MAY 1</td>
<td>Reading Period</td>
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<tr>
<td>MAY 2</td>
<td>Econ 1021 Final Exam; 8:30 – 10:30 PM</td>
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