ECO 304L COURSE SYLLABUS
INTRODUCTION TO MACROECONOMICS (34090)

Instructor

Prof. Shalah M. Mostashari

Office: BRB 2.130
Office hours: W 2:00-4:00 PM
Phone: 512-475-9532
Email: smostashari@utexas.edu
Lecture: TTH 2:00 – 3:30, JES A121A

Outline

Course objectives

The primary goal of this course is to introduce students to the social science of macroeconomics. We will explore

- important questions and issues that macroeconomists address
- the approach and methods of macroeconomics
- concepts used to describe and measure the macro economy, and to analyze macroeconomic events

Eco 304L also serves as preparation for upper-division courses in economics, for those who want to continue in the major. In addition, students will learn valuable quantitative and analytical knowledge and skills that they can use in their civic, business, and personal financial lives.

Eco 304L may be used to fulfill the Social and Behavioral Sciences component of the university core curriculum and addresses the following four core objectives established by the Texas Higher Education Coordinating Board: communication skills, critical thinking skills, empirical and quantitative skills, and social responsibility. This course also carries a Quantitative Reasoning Flag.

Economics 304K with a grade of at least C- is a prerequisite.

Required Materials

The required resources for the course are:

(1) Textbook: Principles of Macroeconomics, 8th edition, by N. Gregory Mankiw. This is an excellent textbook. You may use either the e-book (which is included with the second required resource Aplia), or a printed textbook.
(2) Online Homework Ancillary: Aplia, which comes with the complete e-book.
(3) Top Hat: classroom response system

The most cost-effective ways of acquiring the textbook and Aplia are the following:

Option 1: The UT Co-op carries a bundle with the textbook in loose-leaf form and an access code you use to pay for Aplia. You'll have both the loose-leaf textbook and the e-book with this bundle. Inquire at the Co-op for the price.

Option 2 (cheapest): If you do not want to purchase a printed book, you can purchase access to Aplia, which includes the e-book.
Note: A used book plus Aplia typically will cost more than the UT Co-op bundle.

To acquire access to the Aplia homework lab and e-book

Connect to **http://login.cengagebrain.com/course/D9YT-GG5H-CTRG** and follow the prompts to register for your Aplia course.
Payment: After registering for your course, you will need to pay for access using one of the options below:

- Online: You can pay online using a credit or debit card, or PayPal.
- Bookstore: You will be able to purchase access to Aplia at your bookstore. They offer a loose leaf version of the textbook that comes with an Aplia access code.
- Free Trial: You can access Aplia for free during your free trial. After the free trial ends you will be required to pay for access.
- Please note: At the end of the free trial period, your course access will be suspended until your payment has been made. All your scores and course activity will be saved and will be available to you after you pay for access.
- If you already registered an access code or bought Aplia online, the course key to register for this course is **D9YT-GG5H-CTRG.**

To acquire access to Top Hat

We will be using the Top Hat (https://tophat.com/) classroom response system in class. You will be able to submit answers to in-class questions using Apple or Android smartphones and tablets, laptops, or through text message. Each lecture will have a few in-class questions, so you should bring one of these electronic devices with you to class.

You can visit the Top Hat Overview (https://success.tophat.com/s/article/Student-Top-Hat-Overview-and-Getting-Started-Guide) within the Top Hat Success Center which outlines how you will register for a Top Hat account, as well as providing a brief overview to get you up and running on the system.

An email invitation will be sent to you by email, but if don't receive this email, you can register by simply visiting our Top Hat course website and clicking create account: https://app.tophat.com/e/698792.
Note: our Course Join Code is **698792**.

Top Hat will require a paid subscription. There are several options (1 term, 1 year, life time). For the purpose of this course, the 1-term option for $16.80 is sufficient. If you end up dropping this course, you have two weeks to request a refund.

Should you require assistance with Top Hat at any time, due to the fact that they require specific user information to troubleshoot these issues, please contact their Support Team directly by way of email (support@tophat.com), the in app support button, or by calling 1-888-663-5491.

Graded Components

Exams

There will be two midterms and a final exam. All exams are closed-book, closed-notes exams. The final exam will be cumulative, but the material covered after the second midterm will be emphasized. You may use a calculator. You may not use any device that can store text, equations, or graphs, or that has wireless capability (no phones, iPads, notebook computers, etc.). Your exams must represent your own work. Any evidence of collaboration on an exam or violation of the exam-taking conditions will be pursued with Student Judicial Services.

Both midterm exams will have a multiple choice section, and a "problem" section where you answer questions by showing your calculations or drawing graphs (and providing explanations). Answer sheets will be provided – you don't need to bring bluebooks. On the Final Exam, there will be problems where you may need to do calculations or draw a graph to figure out the answer, but where the answer format is multiple choice. The multiple choice format of the Final Exam is due to the short time-frame for instructors to submit course grades to the registrar.

The midterm exams will occur during the scheduled class times but possibly in a different room. Seat assignments will be posted closer to the exam dates. The dates of all exams are indicated below. If you currently have a legitimate conflict with any of these time slots, you must notify me via the course email by Friday, Feb. 3, so we can confirm that it is a legitimate conflict (such as a conflict with another course or other official UT commitment, or a work conflict that you cannot resolve), and so that we can make alternative arrangements for you. Otherwise, you must take the exams at the scheduled times. In general, we will not accommodate any conflict that that you report to us after Feb. 3rd (except for an emergency). **No make-up exams will be given. See exam policies (below).**

The dates and times of the exams are as follows:

Midterm 1: Tuesday Feb. 21, 2:00-3:30 pm, Location TBA

Midterm 2: Tuesday April 4, 2:00-3:30 pm, Location TBA

Final exam: Friday, May 12, 9:00-12:00 noon, Location TBA**

**Official final exam times and locations will be announced later in the semester by the Registrar.

Curving: If there is to be a curve on an exam, the curve will be added to each exam separately at the time grades are posted. There may not be a curve depending on the overall distribution of grades.

In-class quizzes

One component of required work is a set of short in-class quizzes. These quizzes have a multiple choice format. You'll submit your answers on a Scantron, which will be distributed in class. There will be no makeup quizzes. Missed quizzes will be given a grade of zero. To accommodate any personal emergencies or other reasons for having missed a quiz, I will drop the lowest two quiz grades. Therefore, your best six quiz scores (out of eight) will count equally in your quiz average. If you have a substantiated and university approved reason for missing more than two quizzes, then your quiz average will be based on the quizzes for which there was no approved reason to miss. Quizzes must represent your own work; any evidence of collaboration on a quiz will be pursued with Student Judicial Services.

Quiz dates for each section are on the schedule below. Each quiz may have questions pertaining to any material up to that point, although typically a quiz pertains to material covered after the previous quiz.

Quiz 1: Tuesday Jan. 31

Quiz 2: Tuesday Feb. 7

Quiz 3: Tuesday Feb. 14

Quiz 4: Tuesday March 7

Quiz 5: Tuesday March 21

Quiz 6: Tuesday March 28

Quiz 7: Tuesday April 18

Quiz 8: Tuesday May 2

Reading assignments for each lecture, and Aplia homework

There are three types of required assignments to be completed outside of class:

- Readings (not graded)
- Online problem sets on Aplia (graded)
- Practice Problems (not graded)

Textbook readings by topic are on the schedule below. You should read the chapter *before* we start the topic. Exams will cover material from readings and lecture.

Online problem sets on Aplia will correspond to the textbook reading and will further aid in your understanding. The problem sets are typically due before or while the material is being covered in lectures. You will have to do the reading to understand these problems.

You may collaborate on homework assignments with other students, but be advised that Aplia gives different students different versions of each question. Furthermore, for many (but not all) of the Aplia problems you will be offered up to three opportunities to submit the correct answer and be given feedback for incorrect answers. Because of this grading scheme it is very easy to get 100% for your homework grade *if* you allow for ample amount of time to work on the problems. Students will have the opportunity to work and rework the homework assignments up until the due date. There will be around 12-14 individual homework assignments throughout the course. Since homework is posted at least a

week in advance of the due date and since solutions are posted at the due date, no late homework assignments will be accepted and any un-submitted assignment will be given a zero regardless of the reason for incompletion. To accommodate unforeseen emergencies, the two lowest homework assignments will be dropped before an average of the remaining individual assignment grades is taken as the overall homework grade.

Practice Problems associated with each topic are to be completed *after the lecture* is complete. These problems are posted on Canvas and are very similar to the quiz and midterm problems and are an excellent way to prepare for these tests. Solutions with explanations will be posted on Canvas. In addition, the lecture notes go into more detail than the textbook for many topics and the Practice Problems will give you practice working out examples that cover this supplementary material.

Participation

During each lecture starting the second week of class, we will use the Top Hat student response system to submit answers to questions presented in lecture. There will typically be around 2 to 4 questions per lecture and they can be presented at any point in the lecture. Since they are timed you will want to bring your electronic device and be ready to submit answers as soon as they are posted. You will receive half credit for submitting an answer and the other half if the answer is correct. I will drop the lowest 8 questions to accommodate unforeseen emergencies that prevent your ability to submit responses. Your participation will be the average of your earned points divided by the total points possible after the lowest 8 questions have been omitted.

Grade Calculation

Your overall course score will be a weighted average of the percentage scores you receive on each of the graded components of work, with the following weights:

- Exam 1 25%
- Exam 2 25%
- Final Exam 25%
- Aplia homework score 10%
- Quiz average 10%
- Participation 5%

After your weighted average score is calculated for the semester, the following conversion table will be used to give you a letter grade.

Percent	letter grade
93 –	A
90 to < 93	A–
87 to < 90	B+
83 to < 87	B
80 to < 83	B–
77 to < 80	C+
73 to < 77	C
70 to < 73	C–
60 to < 70	D
< 60	F

Course website and communication

The official website of the course will be on Canvas. Please refer to that website for up-to-date announcements, posted documents, and the updated course schedule: http://canvas.utexas.edu/.

Make sure that your email address on Canvas is correct. Check your email at least once a day. Your email address on Canvas is the email address that UT has on file for official communication with you, and you are responsible for our communications with you using that email address, as well as any other email address that you have used to contact us.

You also are responsible for all information communicated in lecture. We will make every effort to post information on Canvas and to email it to you, but once information has been given in lecture, you are responsible for that information.

Lecture slides, modules, and other posted material

Lecture slides for each topic will be posted on Canvas before we start the topic. Lecture slides include power point-form outlines of concepts, graphical analysis, equations, and graphs of data.

Note-taking slides: Note-taking slides are identified by an icon at the top right corner that resembles a clip-board. They are designed to be completed during lecture as part of the learning process.

Printing the slides for lecture: Depending on your note-taking style, you may want to print all of the lecture slides or just the note-taking slides, and bring them to lecture. You can print the slides 2-on-1 or 4-on-1, and back-to-back, to save paper. Regardless of whether you print all of the slides, you are strongly encouraged to print the note-taking slides so you can work through them during lecture along with the professor. Completed versions of the note-taking slides (answers) will be provided on Canvas, but you should look at the answers only after working through the note-taking slides during lecture.

Modules: For some topics, we will use notes written by Eco 304L professors. These notes ("modules") are essentially chapters presented as power point slides. They will be posted on Canvas to supplement the lecture slides and reading.

Other Posted Material: In addition, I will post on Canvas the Practice Problems (with Solutions), Reviews, solutions and to exams and quizzes.

Lectures Online

This class is using the Lectures Online recording system. This system records the audio and video material presented in class for you to review after class. Links for the recordings will appear in the Lectures Online tab on the Canvas page for this class. You will find this tab along the left side navigation in Canvas.

To review a recording, simply click on the Lectures Online navigation tab and follow the instructions presented to you on the page. You can learn more about how to use the Lectures Online system at http://sites.la.utexas.edu/lecturesonline/.

Recordings are presented complimentary during the trail of the system!

Contact Information for Help

Professor: You may email me about any course-related questions or issue**s. However, questions that require long explanations or graphs should be reserved for office hours**. If time during office hours is not adequate, send me an email to set up an appointment. My email address is provided above.

Teaching Assistants: This course will have several teaching assistants (TAs). The TAs will hold office hours, help students with Aplia, grade exams, handle questions about grades, and assist with logistical and administrative tasks. TA contact information will be announced on Canvas.

Supplemental Instruction: The economics department and UT have provided this course with ***supplemental instructors*** **(SI's).** Each SI holds two sessions every week (TBA). The two sessions held by an SI are the same, except for small variations due to student questions. The SI's may spend some time reviewing concepts and definitions, but most time in the SI sessions is devoted to developing students' problem-solving strategies – strategies for figuring out how to approach a given problem, and how to solve problems. Over the years, students who attend the SI sessions are very enthusiastic about how helpful the SI's have been. SI's do not hold office hours or grade exams. Once the SI sessions are scheduled, we'll post that information on Canvas.

Policies

Student Conduct During Lecture: Lecture is not a place where you collect information that you study later. The class is structured so that important learning occurs during the actual lecture. The rules concerning student conduct are intended to ensure an environment that is conducive to learning. It is expected that you will be quiet and ready for lecture to start promptly, and that you will stay quiet (no chatting, no packing up) until lecture ends. Background noise is distracting and disruptive to your fellow students and to the instructor; do your part to maintain a quiet environment during lecture by not talking. If you have a laptop or tablet open, the lecture slides or course-related material should be on the screen; outside web sites such as Facebook are distracting to students sitting near you.

Missed Exams: Only serious and substantiated medical and personal emergencies will be accepted as valid reasons for a missed exam. Otherwise, a missed exam generally will be given a zero percent score. No exceptions will be made for job interviews or non-academic activities. If you miss a midterm for a valid reason, you will be excused from the exam, and its weight will be shifted to the final exam.

See the section on exams (above) for information about the deadline for notifying me about a legitimate conflict for the scheduled exams.

The dates and times of the Final Exam are determined by the registrar. If you miss the final exam for a valid and documented reason, you may receive an incomplete, or you may be asked to take a make-up exam within a few days of your scheduled final exam, or you may be given a grade based on other course work you have done. Contact your professor as soon as possible.

If you are a UT athlete with a game or road trip that conflicts with a scheduled exam, you should bring your professor a letter from the athletic department documenting the event. Athletes in this situation will be accommodated with an excused absence (and a reweighting of their exams), or a midterm at an alternative date and time, at the discretion of the professor. Other official UT activities may be accommodated similarly, but UT club activities typically will not be accommodated.

If you believe that your exam was graded incorrectly or that your posted score is incorrect, you can ask for a re-grade. You must submit your entire exam or paper question along with a written explanation of the mistake in grading that you believe has occurred within 24 hours after the graded exams have been returned. Note that except for simple addition errors, re-grades typically involve examining the entire exam, and not just the part you request we look at, and we will correct any error in grading we find, even if it lowers your score. A process for submitting requests for re-grades, and deadlines for requests will be announced and posted.

Students with disabilities: Any student with a disability who requires academic accommodations should contact Services for Students with Disabilities in the Office of the Dean of Students at 471-6259 (voice) or 471-4641 (TTY for users who are hearing-impaired) to request an official letter for your professor that lists your authorized accommodations. UT policy requires students requesting accommodations to notify their professors in advance, and we will adhere to the policies of SSD concerning advance notification.

Religious holy days: By UT Austin policy, you must notify your professor of your pending absence at least fourteen days prior to the date of observance of a religious holy day. See individual policies above for how missed quizzes, homework, and exams are accommodated for university approved absences.

Behavior Concerns Advice Line (BCAL): If you become worried about someone's behavior, you may call the Behavior Concerns Advice Line at **512-232-5050** to discuss your concerns. This service is provided by the Office of the Dean of Students, the Counseling and Mental Health Center (CMHC), the Employee Assistance Program (EAP), and the University of Texas Police Department (UTPD). Visit **http://www.utexas.edu/safety/bcal** for more information.

Emergencies: Occupants of buildings on the UT-Austin campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside. Familiarize yourself with all exit doors of each classroom and building you occupy. Remember that the nearest exit door may not be the one you used when entering the building or room. In the event of an evacuation, follow the instructions of faculty or class instructors. Do not re-enter a building unless given instructions by the following: Austin Fire Department, the UT-Austin Police Department, or the Fire Prevention Services office. Students requiring assistance in evacuation shall inform their instructor in writing during the first week of class.

Policy on scholastic dishonesty: Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Because such dishonesty harms the individual, all students, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced. For further information, please visit the Student Judicial Services web site at **www.deanofstudents.utexas.edu/sjs/.** The University's expectations for student conduct are grounded in the University Honor Code:

> *The core values of The University of Texas at Austin are learning, discovery, freedom, leadership, individual opportunity, and responsibility. Each member of the University is expected to uphold these values through integrity, honesty, trust, fairness, and respect towards peers and community.*

University students are expected to abide by all city, state, and federal laws and statutes and all regulations of the University and The University of Texas System. However, as a community of scholars, the University expects from its students a higher standard of conduct than that required simply to avoid discipline. The principles of the University Honor Code both govern and direct student conduct, to promote a safe environment that is conducive to academic success and to ensure that each University student graduates ready to contribute to society as an ethical citizen.

"Academic dishonesty" or "scholastic dishonesty" includes, but is not limited to, cheating, plagiarism, collusion, falsifying academic records, misrepresenting facts, and any act designed to give unfair academic advantage to the student (such as, but not limited to, submission of essentially the same written assignment for two classes without the prior permission of the instructor), or the attempt to commit such an act.

"Cheating" includes (but is not limited to)
(1) copying from another student's test paper, project, or other assignment;
(2) failing to comply with instructions given by the person administering a test, project, or other assignment, or given in conjunction with the completion of course requirements;
(3) use or possession of materials that are not authorized by the person giving the test, project, or other assignment, including but not limited to class notes, calculators, electronic devices, and specifically designed "crib notes"; the presence of text books constitutes a violation only if they have been specifically prohibited by the person administering the test;
(4) providing aid or assistance to or receiving aid or assistance from another student or individual, without authority, in conjunction with a test, project, or other assignment;
(5) discussing the contents of a test with another student who will take the test;
(6) divulging the contents of a test, for the purpose of preserving questions for future use, when the instructor has designated that the test is not to be removed from the examination room or is not to be returned to or kept by the student;
(7) substituting for another person or permitting another person to substitute for oneself to take a class, a test, or any class-related assignment;
(8) using, buying, stealing, transporting, soliciting, or coercing another person to obtain answers to or information about an unadministered test, project, or other assignment;
(9) falsifying research data, laboratory reports, other academic work offered for credit, or work done in conjunction with the completion of course requirements;
(10) taking, keeping, misplacing, or damaging the property of the University, or of another, if the student knows or reasonably should know that an unfair academic advantage would be gained by such conduct; (11) altering a test paper, project, or other assignment to gain an academic advantage.

Tentative Schedule of Topics CLASS

Topic 0: Preliminaries Course outline. Rules and procedures of the course.	**Jan. 17**
Topic 1: Introduction (Mankiw, Ch. 2 (Full or Brief) Macroeconomics and microeconomics. Concept of an economic model. Simple circular flow model. Stock and flow variables and applications: investment vs. capital stock, government deficit vs debt.	**Jan. 19**
Topic 2: Gross Domestic Product (Mankiw, Ch. 10 (Full) or Chapter 5 (Brief) Final good vs. intermediate input. Expanded Circular Flow. Gross domestic product (GDP). National income and product accounts (NIPA). Measuring GDP using NIPA data. "Gross" vs. "net" investment. "Domestic" vs. "national" income. Real GDP.	**Jan. 24, 26, 31**
Topic 3: Inflation (Mankiw, Ch. 11 (Full) or Ch. 6 (Brief)) Price index. GDP deflator, consumer price index (CPI), personal consumption expenditure (PCE) price index. Adjusting "nominal" dollar values for changes in the price level. Relative price changes. Nominal and real interest rates. Inflation.	**Feb. 2, 7, 9**
Topic 4: Measuring Unemployment and Fluctuations (Mankiw, Ch. 15 and 20.1 (Full) or Ch. 10, 15.1 (Brief)) Unemployment rate. Measuring unemployment and other labor market quantities. Frictional and structural unemployment. Measuring fluctuations around trend real GDP, and fluctuations in other macro variables. Identifying recessions and expansions.	**Feb. 14, 16**
Topic 5: Production Function, Labor Market, and Full-employment Output (professors' notes and Mankiw, Ch. 12 (Full), Ch. 7 (Brief)) Review of the production function. Short-run aggregate production function. Labor demand. Labor supply. Labor market equilibrium. Full-employment output. Long-run aggregate supply (LRAS). Capital accumulation. Technology shocks and other measured shocks to total factor productivity (TFP). Catch up effect and productivity function.	**Feb. 23, 28, March 2**
Topic 6: Financial Markets (Mankiw, Ch. 13 (Full) or Ch. 8 (Brief) and professors' notes) Financial markets and financial intermediaries. Equity, debt, and leverage. National saving. Identities describing the uses of national saving. Equilibrium in the market for loanable funds. Global market for loanable funds. International borrowing and lending and the current account	**March 7, 9, 21**
Topic 7: Intertemporal Decisions (Mankiw, Ch. 14.1 (Full) or Ch. 9.1 (Brief) and professors' notes) Present values and applications deriving Investment Demand and Savings Supply. Household budget constraint and the consumption vs. saving decision. Private saving	**March 23, 28, 30**

curve and national saving curve. A firm's investment decision. Aggregate investment demand curve.

Topic 8: Fiscal Policy and Financial Markets (professors' notes) Government's intertemporal budget constraint. Ricardian equivalence. Impact of changes in fiscal policy on equilibrium in the market for loanable funds in a closed economy. International borrowing and lending to smooth consumption and to enhance efficiency of investment.	**April 6, 11, 13**
Topic 9: The Monetary System (Mankiw, Ch. 16 (Full) or Ch. 11 (Brief)) Concept of money. Federal Reserve System. Banks. Monetary base and measures of the money supply. Money multiplier.	**April 18**
Topic 10: Money and Inflation in the Long Run (Mankiw, Ch. 17 (Full) or Ch. 12 (Brief)) Price level and the value of money. Money demand. Equilibrium in the market for money. Quantity equation. Determination of the price level. Neutrality of money in the long run. Money growth and inflation. Inflation tax. Hyperinflations. Costs of inflation.	**April 20, 25**
Topic 11: Open Economies (Mankiw, 18 (Full) or Ch. 13 (Brief)) Exchange rate. Real exchange rate. Purchasing power parity. Money growth rates and exchange rate trends.	**April 25, 27**
Topic 12: Aggregate Demand and Aggregate Supply (Mankiw, Ch.20 and 21 (Full) or Ch. 15 and 16 (Brief) only selected pages TBA) Aggregate demand (AD). Review of long-run aggregate supply (LRAS). Reasons why equilibrium real GDP may differ from LRAS in the short-run (SRAS). Using the AD-AS model to analyze business cycles.	**May 2, 4**