

2013

## 201-08H Macroeconomic Principles Honors

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### Recommended Citation

Lang, Matthew, "201-08H Macroeconomic Principles Honors" (2013). *Economics Syllabi Spring 2013*. 24.  
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## ECON 201-08H: MACROECONOMIC PRINCIPLES

Instructor: Matthew Lang

Course Website: <http://site.xavier.edu/langm1/Econ201-08/Econ201-08.htm>

Tuesday/Thursday: 10:00-11:15AM

Email: langm1@xavier.edu

Location: Smith Hall 252

Office: Smith Hall 321

Phone: 513-745-2934 (email is preferred)

Office Hours: T/TH, 8:30AM-10AM, 2:30-4PM

### Course Description

This course will introduce you to the foundations of macroeconomics. Unlike microeconomics, which examines behavior at a household, consumer or firm level, we will analyze the economy as a whole. This means that you will begin to understand how the numbers that we often see in the news (GDP, CPI and the unemployment rate) are calculated and what they really mean. We will analyze the macroeconomy in the short-run, which is also known as Keynesian Economics, and partially explain how and why recessions and booms in the economy occur. This will naturally lead us into a discussion about what the ideal level of production should be in the economy. In order to analyze this, we will explore the Classical or Long Run Model of Macroeconomics. If time is permitting, we will end the course by examining how the Classical Model has been recently adapted to explain long run growth patterns across countries.

### Learning Goals

By the end of this course, you should be able to:

- Understand how macroeconomists expect fiscal and monetary policy to impact the economy.
- Discuss the consequences that arise from a variety of macroeconomic policies.
- Use macroeconomic theory to help explain historical growth patterns.
- Explain possible causes of business cycles.

### Course Materials

Textbook: *Macroeconomics: Principles and Applications, 5th Edition* (2010), Hall and Lieberman  
Additional materials will be available on the website. Check this often as I will use it frequently.

### How to Be Successful

This is the second course in a difficult subject. It can become stressful if you let yourself get behind. If you stay up on the material, it has the possibility of becoming an illuminating course. Dedicate time outside of class and do the problem sets on your own. Struggle with the problems-solving a difficult problem will be satisfying and make you remember the concept for the exam. Take good notes on paper (don't use a laptop or your "phone") and use the supplemental materials to help figure out any difficult topics. I will always be available for students in the course beyond office hours.

## Course Components

**Exams (70%):** There will be 4 exams throughout the term. The three midterm exams will be on material that we have covered in the previous weeks and the questions will be similar to problem set questions. The final exam will be cumulative. The weights of the exams with regards to your final grade are as follows:

Lowest Midterm: 10%  
Middle Midterm: 15%  
Highest Midterm: 20%  
Final Exam: 25%

The tentative dates for the midterm exams are January 29<sup>th</sup>, February 21<sup>st</sup> and March 26<sup>th</sup>.

The final will take place on May 2<sup>nd</sup> at 8:30am.

**Project (20%):** There will be one project for the term and the project will count for 20% of your grade. More information will be given on the projects in class.

**Participation (10%):** A tenth of your grade will be based on participation. Participation scores will come from your general attitude and conduct in class (i.e. no texting, laptops, etc.). Some lectures will require your participation in order for the class to be worthwhile. I will take specific note of your participation on these days. I reserve the right to administer random quizzes. The results will count towards your participation grade.

**Problem Sets (+0%):** Problem sets will be posted online. I will discuss some of the problems in class, but you will not hand in the problems sets. However, if you want to be successful, it will be necessary to complete the problems on your own. Coming to class and watching me go over a problem will always look easy, but looking easy does not translate to success on an exam.

## Grading Scale

To guarantee a particular grade you will need the following percentage score:

<b>A: 94+</b>	<b>A-: 91-93.9</b>	
<b>B+: 88-90.9</b>	<b>B: 86-87.9</b>	<b>B-: 83-85.9</b>
<b>C+: 80-82.9</b>	<b>C: 77-79.9</b>	<b>C-: 74-76.9</b>

## Academic Dishonesty

If I catch you cheating on an exam or plagiarizing on a paper, you will receive an "F" for the assignment at a minimum. All occurrences will be passed on to the Dean of the College. There is absolutely no place for that type of behavior here at Xavier University. If you are uncertain about what constitutes as plagiarism when writing papers, please come and talk to me.

## **Tentative Course Schedule**

### **Part I: Introduction and Review**

January 8<sup>th</sup> to January 29<sup>th</sup>:

Supply and Demand Review  
Macroeconomics Introduction  
Business Cycles  
GDP  
Unemployment  
CPI

(Read: HL, Chapters 1, 2, 3, 4 and 5)

*Exam 1 on January 29<sup>th</sup> (Tentative)*

### **Part II: Keynesian (Short-Run) Economics**

January 31<sup>st</sup> to March 26<sup>th</sup>:

Short Run Economics  
Aggregate Expenditures  
Fiscal Policy  
Debt and Deficit  
Policy Analysis  
Aggregate Demand, Aggregate Supply  
Monetary Policy

(Read: HL, Chapters 11, 12, 13, 14, 15)

*Exam 2 on February 21<sup>st</sup> (Tentative), Exam 3 on March 26<sup>th</sup> (Tentative)*

### **Part III: Long Run Dynamics/Classical Macroeconomics**

April 2<sup>nd</sup> to April 25<sup>th</sup>:

Phillips Curve  
Rational Expectations  
Long Run Policy  
Solow Model

(Read: HL, Chapters 16, 8, Handout)

**FINAL EXAM ON WEDNESDAY, May 2<sup>nd</sup> at 8:30AM (Cumulative)**

## **WCB UNDERGRADUATE PROGRAM LEARNING GOALS AND OBJECTIVES SUPPORTED BY ECON 201:**

### **Critical Thinking**

*Learning Goal:* WCB graduates will be able to think logically, reason quantitatively, and utilize appropriate analytical techniques and technology when evaluating and making decisions.

*Learning Objective:*

(1) WCB students will collect, evaluate and synthesize information to offer solutions and support decision making.

### **Ethics and Social Responsibility**

*Learning Goal:* WCB graduates will be able to recognize ethical issues, discern moral implications of decision making, and be prepared, and willing, to serve as responsible and professional members of society.

*Learning Objective:*

(2) WCB students will demonstrate the skills necessary to analyze information and make informed, ethical decisions in complex, conflicting or ambiguous environments or situations.

### **Effective Written and Oral Communication**

*Learning Goal:* WCB graduates will be able to organize, support and communicate ideas clearly and effectively, employ multiple mediums of communication (e.g., written, oral and visual), and adapt communication to audience, context or purpose.

*Learning Objective:*

(1) WCB students will produce business documents and reports demonstrating their ability to organize and communicate ideas clearly and professionally.

### **Global Perspective and Cultural Diversity**

*Learning Goal:* WCB graduates will appreciate the historical and cultural contexts of the world in which they live, demonstrate the competencies required for engaging in global business activities, and respect and value diverse peoples and perspectives.

### **Understanding and Application of Knowledge Across Business Disciplines**

*Learning Goal:* WCB graduates will be able to evaluate business from an integrative and holistic point of view, leverage the synergies between functional business areas, and demonstrate college-level mastery of their chosen discipline.

*Learning Objectives:*

(1) WCB students will demonstrate the appropriate knowledge of accounting, economics, finance, management, management information systems, marketing, quantitative business analytics, international issues, and the legal and social environment of business.

(2) WCB students will evaluate business problems from an integrative point of view, including diverse business functions, competition and external environment (social, political, economic, and environmental.)

### **Personal and Professional Development**

*Learning Goal:* WCB graduates will be well-prepared for their future careers and appreciate the importance of continuous professional development and life-long learning.

**Williams College of Business Mission Statement:** *“We educate students of business, enabling them to improve organizations and society, consistent with the Jesuit tradition.”*