

New Jersey Institute of Technology

Econ 266-101 Macroeconomics

Semester: Fall 2016

Instructor: Dr. Porchiung Benjamin Chou

Section 101: Thursday 6:00 pm – 9:05 pm

Classroom: TIER 111

Office: Central Ave. Building, Room 4036

Telephone: 973-642-4177

Office Hours: Friday 3:00 pm – 6:00 pm, and by appointment for other times

E-mail: pchou@njit.edu

Course Description:

This is a self-contained introductory macroeconomics. Students do not need to take Microeconomics (Econ 265) before this course. Some micro-foundation, however, will be introduced, such as introduction (Chapters 1-2) and markets (Chapters 3-4), before the topics in macroeconomics are covered. As this course provides students with a broad range of models in macroeconomics, including those that are beyond the textbook, it is critical that students attend each class, preview each chapter, complete the online assignments before each class, and keep up with the readings all the time.

Aplia and the Required Textbook:

We use Aplia and *Macroeconomics for Today*, 9th edition by Irvin Tucker, South-Western Cengage Learning. As Aplia already has a digital version of the textbook, students do *not* need to buy the physical textbook unless they want one.

Students need to register for Aplia ASAP and complete the online assignments in a timely manner. There are online assignments due before each class. Students have up to three attempts for each question. The score of each question is the average of all three attempts.

How to access your Aplia course

Econ 266-101 Fall 2016

What is Aplia?

In just 10 years, more than one billion answers have been submitted through Aplia, the premier online

assignment solution. Millions of students use Aplia to better prepare for class and for their exams. Join them today!

Registration

1. Connect to <http://login.cengagebrain.com/course/UA2B-6Y9A-UZBH>
2. 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 may be able to purchase access to Aplia at your bookstore. Check with the bookstore to find out what they offer for your course.

Free Trial: Your course enrollment includes a free trial period of up to **three weeks**. 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: **UA2B-6Y9A-UZBH**

System Check

To check whether your computer meets the requirements for using Aplia, go to <http://www.aplia.com/support/sysreq.jsp>

For any questions about the prices of the bundled packages, please contact the publisher representative Rachael at rachael.scardelli@cengage.com.

Supplemental Materials:

Student can also watch Tomlinson Videos at <http://tomlinson.swlearning.com/>, or Jodi's videos at http://www.youtube.com/user/jodiecongirl?feature=results_main, with the focus on Macroeconomics 101. Although these videos are optional, students should watch the important ones specified in the syllabus. If classes are cancelled due to bad weather, more videos will be assigned as the substitutes for lectures.

Exams & Quizzes:

There are three exams, two midterms and the final exam. The materials in the exams are not cumulative, but are related to the previous materials. If a student must miss an exam due to unavoidable reasons, the student needs to contact me as soon as possible *before* the exam. If I do not hear from the student in advance, there can be penalty for the make-up exam if it is granted.

There will be quizzes in most of the classes. To do well in the quizzes, students need to preview each chapter, including the multiple-choice questions before attending each class, pay attention to the class, and review each chapter that has been covered. Although make-up quizzes are usually allowed before quizzes are returned, if students miss more than *five* quizzes in terms of the number of quizzes missed, these students will lose the privilege to make up any more missed quizzes.

Online Assignments:

To make sure that students preview the chapters before each class, Aplia's online assignments are due every week before the class at 06:00 p.m. Students can finish the assignment at any time before the deadline. There is no extension of the deadline unless there are extreme situations. Students can continue to try these questions after the deadlines without changing their scores. These assignments are the easiest points to get in comparison with the exams, and yet the easiest points to lose if students skip them.

Caution:

Students should *not* take both Econ 265 and Econ 266 during the same semester.

Grading:

The total grade is calculated based on the following percentages: Midterm Exam I (20%), Midterm Exam II (20%), Final Exam (20%), Quizzes in the classes (20%), Aplia's on-line assignments (about 20%), and Class attendance and participation (about 5%). Most importantly, all the efforts must be made during the semester. There is absolutely no extra assignment for students to improve their grades after the students take the final exam.

The grade (G) of a student is determined by the sum (S) of all these scores in the following way:

If $S < 55\%$, $G = F$.
If $55\% \leq S < 70\%$, $G = D$.

If	$70\% \leq S < 75\%$,	G = C.
If	$75\% \leq S < 80\%$,	G = C+.
If	$80\% \leq S < 85\%$,	G = B.
If	$85\% \leq S < 90\%$,	G = B+.
If	$90\% \leq S$,	G = A.

Pre-communication:

It is important for the students to be proactive and communicative. If you have any question or difficulty in learning the materials, please come to see me as soon as possible. If you cannot make it during my office hours, please e-mail me to make an appointment. Students should also check whether there are economics tutors available in TLC at KUPF 200.

Honor Code:

All students are bound by NJIT's Honor Code. The students that are caught cheating will be subject to the disciplinary action of the Dean of Students.

Approximate Course Outline: (14 Weeks)

[TV: Tomlinson Videos](#)

Week 1 (September 08)

Chapter 1: Introducing the Economic Way of Thinking
 Appendix to Chapter 1: Applying Graphs to Economics
 Chapter 2: Production Possibilities, Opportunity Cost, and Economic Growth

Week 2 (September 15)

Chapter 3: Market Demand and Supply
 Chapter 4: Market in Actions

Week 3 (September 22)

Chapter 4: Market in Actions
 Chapter 5: Gross Domestic Product

Week 4 (September 29)

Chapter 5: Gross Domestic Product

TV: 10.1.3

Midterm I Part A and B

Week 5 (October 06)

Chapter 6: Business Cycles and Unemployment

TV: 11.2.1

Chapter 7: Inflation

TV: 10.3.3

Week 6 (October 13)

Chapter 10: Aggregate Demand and Supply

Appendix to Chapter 10 – The Self-Correcting Aggregate Demand and Supply Model

Week 7 (October 20)

Chapter 8: The Keynesian Model

Chapter 9: The Keynesian Model in Action

Week 8 (October 27)

Chapter 11: Fiscal Policy

Chapter 12: The Public Sector

Week 9 (November 03)

Chapter 12: The Public Sector

Midterm II Part A and Part B

Chapter 13: Federal Deficits, Surpluses, and the National Debt

Week 10 (November 10)

Chapter 13: Federal Deficits, Surpluses, and the National Debt

Chapter 14: Money and Federal Reserve System

Chapter 15: Money Creation

Week 11 (November 17)

Chapter 15: Money Creation

Chapter 16: Monetary Policy

TV: 13.2.3

Appendix to Chapter 16: Policy Disputes Using the Self-Correcting Aggregate Demand and Supply Model

Week 12 (November 22 – Designated Thursday)

Chapter 17: The Phillips Curve and Expectations Theory

TV: 15.3.1

Chapter 18: International Finance

Week 13 (December 01)

Chapter 18: International Finance

TV: 13.5.3, 17.3.1, 17.3.2, 17.3.4, 17.3.5, 17.3.6

Chapter 19: Economics in Transition

Week 14 (December 08)

Chapter 20: Growth and Less-Developed Countries

Week 15 (December 15)

Final Exams as scheduled

Note:

The course outline is subject to change. Although the sequence of the chapters will not change, some chapters can go longer or shorter than the class times listed above. Because of this, the exam dates are also subject to change, which is announced in the classroom. Students are responsible for showing up in *every* class to obtain the updated information and additional materials beyond the textbook that will also be tested in the exams.

Learning Goals/Outcomes:

To understand the concept of opportunity cost, and how to apply the marginal analysis to the decision making process to use resources efficiently.

To be able to apply market supply and demand curves to analyze different markets, and understand the differences between the movements and shifts of the demand and supply curves as well as the determinants that cause these changes.

To understand how GDP, unemployment rate, labor force participation rate, CPI, and inflation rate are calculated.

To understand the indicators of the business cycles and their relationships with the macroeconomic models.

To understand the traditional AD-AS model and the determinants that will shift the AD and AS curves.

To understand Lucas supply curve and the self-correcting AD-AS model.

To understand the approach of Keynesian economics and its policy implications for fiscal policy and monetary policy, including the multipliers for the fiscal policy.

To understand the budget formation process for the federal government, the current issue of the deficit/debt of the US, and whether we should worry about it.

To understand the definition of money, how money is created, money multiplier, and the Federal Reserve System of the USA.

To understand monetary policy from the perspectives of Keynesians and Monetarists.

To understand Okun's law, Phillips curve, how different expectations are formed, and the different schools of economic thoughts based on different assumptions.

To understand the balance of payment, and how the exchange rate is determined in the foreign exchange market under a floating exchange rate system.

To understand the determinants that change the exchange rates, and how the change of exchange rate can also impact these determinants.

To understand the (real) effectiveness of fiscal and monetary policies under the floating exchange rate and fixed exchange rate systems.

To understand the difference between the market economy and command economy, as well as the factors for countries to achieve economic growth and development.